

OVERSEAS NEWS

Eanes applies veto to new economic laws

BY JIMMY BURNS IN LISBON

PORTUGAL'S military "watchdog," the Council of the Revolution, chaired by President Antonio Ramalho Eanes, yesterday vetoed the Government-backed legislation opening up key sectors of the economy such as banking and insurance to the private sector for the first time since the 1974 revolution.

The move, which affects a cornerstone of the Government's economic programme, is expected to add further fuel to the institutional conflict which first emerged after last month's reports that President Eanes and members of the Council had plotted to oust Dr Francisco da Carneiro the Prime Minister, and his centre-right Cabinet.

But yesterday's veto, on the grounds that the law is "unconstitutional" may stop just short of provoking a full-scale Government crisis. The law was

Rhodesia reveals reserves at £138m

By Tony Hawkins in Salisbury

RHODESIA'S gold and foreign exchange reserves were £185.5m (£138m) at the end of last week, according to the Reserve Bank of Zimbabwe.

Rhodesia's first assets and liabilities statement to be published for more than 14 years.

The bank said yesterday that it will publish a weekly statement of establishment for private banks and insurance companies have been left undefined. This vagueness was engineered by the Government to leave it room for manoeuvre before returning the law to Parliament for fresh approval and before confronting President Eanes a second time.

Significantly, the veto has coincided with report that the governing alliance had finally decided on an alternative presidential candidate to Gen Eanes in the person of Gen. Antonio Coeiro Carneiro, Gen. Carneiro,

whose candidacy is expected to be officially confirmed next week, is one of the few right-wing officers to have survived the Portuguese revolution.

Berlinguer starts China trip today

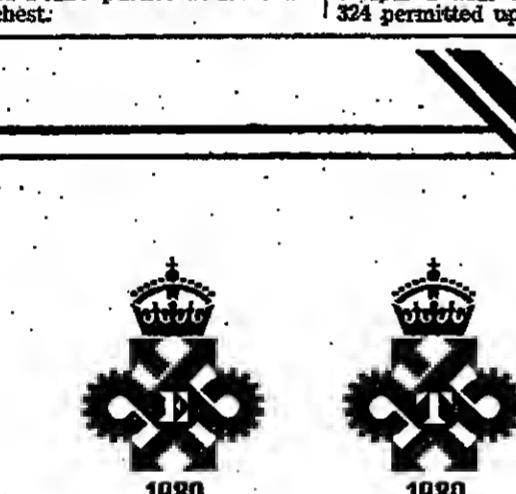
BY RUPERT CORNWELL IN ROME

ITALY'S COMMUNIST leader, Sig. Enrico Berlinguer, leaves for China today, for a visit which is perhaps the most important symbol of the new international strategy of the West's biggest and most influential Communist Party.

The trip is the first to China by a leader of the PCI for 20 years. It marks the growing cleavage between the party and Moscow, deepened still further by the Soviet military invasion of Afghanistan.

Given the undisguised hostility between Moscow and Peking, the timing of the visit by the PCI delegation, which also includes Sig. Giancarlo Pajetta, the veteran international affairs specialist will be interpreted as unmistakable proof of which way the Italian communists are moving.

The 12-day trip also includes a short stop in North Korea, again breaking new ground for the Italian communist leadership. So far, the Chinese have



THE QUEEN'S AWARDS FOR EXPORT AND TECHNOLOGICAL ACHIEVEMENT

Having twice been recipients of the Queen's Award, The Financial Times has pleasure in inviting all those who have been similarly honoured this year to take this opportunity to advertise their achievements in the pages of the Financial Times.

As Europe's business newspaper, the Financial Times is the logical choice for conveying your success to the business elite of the world. In 1979 we carried substantially

A comprehensive booklet is available which contains examples of previous advertisements and advertisement rates. For a copy of the booklet or further information please contact:

Peter d'Aguilar
Financial Times

Bracken House, 10 Cannon Street, London EC4P 4BY

Telephone: 01-248 8000 Ext. 7148

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

more Queen's Award advertising than any other quality newspaper.

Our readership spans the whole strata of industry, commerce and politics. These influential readers will be looking with special interest at companies who have succeeded in winning an accolade of this importance. An advertisement will enhance your achievement by ensuring your present, and potential, customers are aware of your contribution to the British economy.

"Hot pursuit" warning to the Iraqis

BY PATRICK COCKBURN

IRANIAN PRESIDENT Abolhassan Bani-Sadr told a demonstration in Tehran yesterday that he would not stop his army exercising the right of hot pursuit into Iraq. Skirmishing continued on the border yesterday.

In his most bitter attack yet on the Baghdad Government, the President told a crowd of several hundred thousand demonstrating against the U.S. and Iraq that Mr. Saddam Hussein clearly fears the influence of Ayatollah Khomeini on the Iraqi Shah and the Kurds.

The coupling of the U.S. and Iraq in yesterday's demonstration as twin enemies of the Iranian revolution will increase danger to the U.S. hostages. Students holding the embassy have already hinted that they will interpret an Iraqi invasion in the same way as a U.S. attack and execute some of the hostages.

Denying these accusations of Iran-U.S. collaboration, Mr. Zbigniew Brzezinski, the White House National Security Adviser, said on Wednesday that the U.S. might have to become involved if the Iran-Iraq dispute turns into a full scale conflict.

Fighting on the border on Thursday night put three Iranian tanks out of action. Both sides are using long-range artillery around the town of Qasre-Shirin east of Baghdad, where some 15,000 refugees from Iraq have already crossed the border.

Frequently described as Iraqis of Iranian origin, Kurdish opponents of the Baghdad Government in London say the refugees are mainly Iraqi Kurds from Baghdad known as the "Falli".

This group emigrated to

Qotbzadeh urges Nine not to join embargo

BY OUR FOREIGN STAFF

MR. SADEQ QOTBZADEH, Iran's Foreign Minister, yesterday called in the ambassadors of the EEC countries and Japan to urge them not to join the U.S. in imposing sanctions against Iran.

He emphasised that Iran was still trying to work out a peaceful solution to its conflict with the U.S. As he spoke several hundred thousand Iranians marched through the streets of the capital to display national solidarity against the U.S. and the Iraqis. Millions of Iranians were reported to have joined demonstrations in every city and town in the country.

President Abolhassan Bani-Sadr, who will see the Ambassadors of the Nine himself tomorrow, told the Tehran rally that if European countries moved to impose diplomatic or economic sanctions, Iran would not sell them oil or buy their products.

While there is as yet little enthusiasm in Europe or Japan for a full-scale blockade—on the grounds that it would be virtually impossible to effectively impose and would play into the hands of the militants who hold the hostages—there are signs that business and industry would greet such measures with understanding.

West Germany, Iran's largest European trading partner, is expected to discuss increased oil supplies with the United Arab Emirates next week. This would help Bonn sustain a cut-off of Iranian oil supplies.

this week and the Soviet news agency Tass has denounced the U.S. sanctions as evidence of a policy of plunder."

In a significant shift away from its old ally Iraq, with which Moscow has a Treaty of Friendship and Co-operation, the Soviet media have already signalled support for Iran by accusing the Baghdad press of waging an "anti-Iranian campaign".

Despite conflicts of its own with the Iraqis over the invasion of Afghanistan, which Iran has denounced, and demands for Iranian gas exported to the Soviet Union, the Soviet Union is clearly trying hard to capitalise on Iran's isolation.

In a report from Astara, near the border with Iran in Soviet Azerbaijan, the English language weekly, Moscow News, said on Thursday that cargo for

Iran—"butter, cheese, baby foods, construction materials, chemicals, paper and other consumer goods"—was "pouring" into Iran by way of the Soviet Union from West Germany, France, Britain, Belgium, Denmark, the Netherlands and other states.

The volume of freight traffic would increase dramatically now that one of the biggest transhipment bases in the Soviet Union, at Sstara, had been completed, the newspaper said.

Reuter adds from the United Nations: The United States yesterday announced travel restrictions on Iranian diplomats accredited to the UN. The 12 diplomats, plus members of their families and personal staff, will be barred from travelling more than 25 miles from the centre of New York City.

Iranian oil was important for Japan, he said, but Japan had to recognise that other things might be more important still. Dr. Okita said that a five-man committee of top Cabinet Ministers met for the second

U.S. retail sales fall by 1.3%

By Jurek Martin, U.S. Editor in Washington

U.S. RETAIL SALES fell by 1.3 per cent last month, compounding February's revised 1.6 per cent decline and suggesting that the economy is headed into its long expected recession.

The March figures were distorted by the much sharper collapse of new car sales down by 7.2 per cent in March, having fallen 3.5 per cent in the previous month.

If the car sector is excluded, overall retail sales would have risen in March—though by only 0.2 per cent in February, minus cars, the index dropped by 1.1 per cent.

Commerce Department officials detected fairly pervasive softness in the retail market, indicating that the consumer was at long last beginning to cut purchases in the face of high interest rates and new restrictions on credit availability.

Steel 'dumping' inquiry soon

By Ian Hargreaves in New York The U.S. Government has found "sufficient basis" in the claims that European steel producers have been dumping steel in the U.S. market to justify a detailed investigation, the Commerce Department said yesterday.

The announcement clears the way for investigations by Commerce Department staff, and hearings before the International Trade Commission later this month.

The Commerce Department will examine whether dumping at unfair prices took place. The Commission has to decide if, as a result of such dumping, U.S. companies suffered "material injury".

Hearings open next Thursday, when six U.S. steel producers have said they will offer supporting evidence for the petitions filed by U.S. Steel.

Reuter adds from Brussels: The European Commission reacted calmly to the U.S. Government's announcement yesterday. "We expected that decision," one official said. "We didn't suppose the Carter Administration would take the claims lightly. Contacts are being maintained. The Commission's position is unchanged."

Financial TIMES, published daily except Sunday and half price U.S. subscription rates £3500 per annum. Second Class postage paid at New York, N.Y., and at additional mailing centres.

Israeli incursion 'to block guerrillas'

By DAVID LENNON IN TEL AVIV AND HSAN HIZAJI IN BEIRUT

ISRAEL'S INCURSION into southern Lebanon is a temporary move designed to block Palestinian attacks like the one on Monday in which eight people died. Mr. Ezer Weizman, the Israeli Defence Minister, said yesterday.

Speaking on the army radio station, the Minister said the troops would be withdrawn as soon as they had completed their mission, but failed to specify when this would be.

One local paper, Yediot Acharonot, reported that Israeli troops had established seven outposts in southern Lebanon along a line between the UN peace-keeping forces and the Christian militia commanded by Major Saad Haddad.

"We do not intend to stay there permanently," Mr. Weizman said, "and I wish we could get out already. We respect Lebanon's sovereignty and we want to sit down and reach agreement with its representatives, the way we did with Egypt."

The Foreign Ministry in Jerusalem denied that there

bad been any American pressure on Israel to withdraw its forces, which are now entrenched about five miles inside Lebanon.

Both Israeli and United Nations officials reported that there had been no clashes between their forces, even though the UN claim that the Israelis have set up at least two positions within the area into which the UN troops were drafted two years ago following the Israeli occupation of the area in March, 1978.

In Beirut, observers believe that the main objective of the incursion is to expand the enclave controlled by Christian militias in southern Lebanon. Militiamen under Major Saad Haddad have moved alongside the Israeli forces, according to reliable reports from the region.

In one sector, at the village of Al Tiri, which is under control of the UN Interim Force, Israeli battalion, the Israelis were reported to have pulled their tanks out and banded their positions over to Major Haddad and his men.

Jamaica's high hopes for 'grass'

By HUGH O'SHAUGHNESSY RECENTLY IN KINGSTON

THE CULTIVATION, use and export of marijuana should be legalised in Jamaica as a partial remedy for the island's foreign exchange difficulties, according to a growing body of Jamaican opinion.

The suggested move has never been favoured by Mr. Michael Manley's Social Democratic

The Commerce Department staff, and hearings before the International Trade Commission later this month.

The Commerce Department will examine whether dumping at unfair prices took place. The Commission has to decide if, as a result of such dumping, U.S. companies suffered "material injury".

Hearings open next Thursday, when six U.S. steel producers have said they will offer supporting evidence for the petitions filed by U.S. Steel.

Reuter adds from Brussels: The European Commission reacted calmly to the U.S. Government's announcement yesterday. "We expected that decision," one official said. "We didn't suppose the Carter Administration would take the claims lightly. Contacts are being maintained. The Commission's position is unchanged."

Financial TIMES, published daily except Sunday and half price U.S. subscription rates £3500 per annum. Second Class postage paid at New York, N.Y., and at additional mailing centres.

Despite these widespread allegations of corruption, the Jamaica Defence Force, the country's army, which has been supporting the police in their campaign to stamp out use of the narcotic, is reported to have resisted subversion.

Jamaicans are uncomfortably aware of the situation in Colombia where marijuana is thought to have become the largest export revenue earner.

In Colombia, illegal marijuana receipts are seen as a cause of inflation and increasing political and administrative disarray.

Action by the Coptic Zion Church, a well-organised sect in Florida, against the U.S. authorities for alleged infringement of the constitutional right of its members to smoke marijuana as part of their religious beliefs, is being followed with interest in Jamaica.

The sect, which regularly distributes its publication Coptic News in Jamaica, has agricultural holdings and a number of adherents there. Though sect members are careful to do nothing against Jamaican law, there is no doubt that juana campaign success



Smoking the sacred herb ganja (marijuana). The pipe base is filled with water to cool the smoke, is the symbol of brotherhood among the Jamaicans.

Sanjay is acquitted of film theft

By K. K. Sharma in New Delhi

SANJAY GANDHI, the controversial son of the Indian Prime Minister, was yesterday acquitted in the Supreme Court of "cheat" and "criminal conspiracy" after lower courts had sentenced him to a two-year term in prison.

His co-accused, Mr. V. G. Shukla, who was Mrs. Indira Gandhi's Information Minister during her Emergency Rule from 1975 to 1977, was also acquitted.

The acquittal, in what is known as the "Kissa Kursi Ka" case, came from a three-member bench, to which Sanjay had appealed against his conviction on charges of stealing and destroying a satirical film on the then political system in India. The case took its name from the film, known as Kissa Kursi Ka—The Tale of a Chair.

Had the appeal been rejected, Sanjay stood to lose his seat in Parliament which he won in January's General Election.

Now that he has been acquitted, nothing stands in the way of his acquiring a formal position in Mrs. Gandhi's Government, as he cannot be dislodged from Parliament under the rule that no criminal can be a member.

It is extremely unlikely that Mrs. Gandhi will give Sanjay a place in her Cabinet. In fact, he does not need one, since he already wields considerable influence on his mother and Government decision-making.

Sanjay's influence is not yet as great as during Mrs. Gandhi's Emergency Rule when he was accused of being the extra-constitutional authority behind the Prime Minister.

Since Mrs. Gandhi's return to power, Sanjay has gradually re-established his position as her main adviser on senior appointments, politics, and policies. He and his mother still face some cases brought against them by the Janata Government, but these are not expected to worry them much.

Some have already been dropped and prosecution dropped in all have been changed.

For Sanjay, yesterday's acquittal means a vindication of his claim that he committed no illegal act during the emergency. He was convicted last year on charges of theft and conspiracy to steal and destroy prints and negatives of the film.

The Supreme Court yesterday ruled that there was no evidence of conspiracy between Sanjay and Shukla to steal and destroy the film, although it appears to have vanished into thin air.

S. Korea deficit

South Korea recorded a record current account deficit of \$1.45bn in the first quarter of this year, according to the Finance Ministry. Ron Richardson reports from Seoul. Invisible trade also slipped deeper into deficit, partly reflecting the higher cost of debt servicing following the rapid rise in world interest rates.

UK NEWS

Coal Board may lose £200m in grants

BY MARTIN DICKSON, ENERGY CORRESPONDENT

THE GOVERNMENT plans to phase out most of its grants to the National Coal Board by the mid-1980s, under a new coal Bill to be presented to Parliament soon.

The money involved amounts to nearly £200m of the £255m in grants the NCB received from the Government in its 1979/80 financial year.

But the Government plans to offset this with new financial assistance to the NCB, including relief on its heavy interest burden. The Bill—which was to have been published in January but was delayed by the steel strike—has two central aims.

The first is to strengthen the NCB's financial base while it carries out a capital expenditure programme of £500m a year. The second is to make its finances more commercially competitive, so the board can break even without dependence on grants.

It is hoped that by the mid-1980s the NCB's investment programme should start to reap

financial dividends, allowing grants to be phased out.

The programme is already showing results. The NCB's deep-mined production in 1979/80 was 10m tonnes, the first year-on-year increase since 1963. The board has also managed to broadly break even in 1979/80—taking into account its grants.

The Government expects that by the mid-1980s, only grants for social purposes will be needed. These cover such items as miners' redundancy and transfer payments and now take about £60m a year.

Reducing grants runs against the trend in Western Europe, where government subsidies to the coal industry are already far larger than in the UK. British subsidies in 1978/79 were estimated to have been worth £1.1m in West Germany and £1.4m in France.

To strengthen the NCB's financial base, the Bill provides a mechanism for relief on the

Board's interest repayments, which amounted to £180m in 1979/80 and will be well over £200m this year. The NCB will not have to pay interest on capital invested in new capacity until the plant is operating.

This falls short of NCB requests to be allowed public dividend capital for up to 50 per cent of its borrowing requirement. Public dividend capital is public money which differs from loans in being repayable by negotiation between Government and industry, rather than in fixed amounts.

However, since the practical effect of deferred interest payments will be similar to this, the NCB may be happy with the change.

The Bill also aims at a smoother flow of labour from old pits to new by updating miners' removal grants. Although the Government would apparently like a tougher NCB stand on closing uneconomic pits, there is no sign of this yet.

Call to end discounts on drugs

BY ROBIN PAULEY

PHARMACEUTICAL manufacturers should stop offering doctors bonuses and discounts to use their products because the practice is against the interests of patients, a former president of the Pharmaceutical Society told a conference of community health councils.

Mr. John Kerr, a Newcastle pharmacist and a member of the society's council, said selection of medicines should not be influenced by commercial factors.

"The choice of influenza vaccine given to patients last year was largely determined by a firm making an offer to doctors

of six dozen free with every six dozen bought.

"The choice of the contraceptive pill, before it went onto the National Health Service, was determined by the same economic factors, which is not to the patients' advantage," Mr. Kerr said.

Mr. Kerr also highlighted the dangers arising from the large number of incomplete prescriptions written by doctors.

A report had indicated that a third of all prescriptions written by doctors and half of those written by their receptionists were incomplete in some detail.

About 350m NHS prescriptions are dispensed each year. "If only 0.1 per cent contain an error this means 350,000 potential problems."

But Dr. John Haward, secretary of the British Medical Association, said yesterday: "Doctors and pharmacists work closely together to provide a good service. These unsubstantiated generalisations are unhelpful and are an unnecessary undermining of the public's confidence in their GPs. There is no evidence whatever that doctors would succumb to commercial pressures."

He says the Bank now has wider supervisory powers as a result of the 1979 Banking Act. "But in discharging its responsibilities, will it seek to impose any sort of sanction on recognised banks or licensed deposit-takers which, from

practice, was particularly significant in the late sixties and early seventies?" the secondary bank heyday.

Mr. Brown says a forthcoming accounting standard on post-balance sheet events will strengthen the auditor's position by requiring the disclosure of significant window-dressing practices.

The article deals with "window-dressing," a practice whereby banks and other companies may arrange artificial transactions at their year ends to present a more favourable picture in their accounts. The

evidence of their returns are quite clearly seen to be window-dressing in their financial statements? Perhaps this will ultimately be the solution."

Mr. Brown, who is writing an Institute of Chartered Accountants study on bank accounting and auditing, says a bank wishing to window-dress its financial statements is most likely to take in short-term deposits and to lend them out on a similar short basis.

"It may also seek to convert some of its assets into a more liquid form for a temporary period only; it may repay deposits temporarily.

World Airways to handle London-Boston traffic

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

WORLD AIRWAYS, the U.S. international airline, has been temporarily given rights to fly the London-Boston air route from June 1, pending appointment of a regular airline for the route.

In the recent Anglo-U.S. air route discussions in Washington, London-Boston was upgraded so that it could be served by two U.S. airlines, instead of by only TransWorld as at present. The British airline on the route is British Airways.

The decision to put a second U.S. airline on the route temporarily has been taken by the U.S. Civil Aeronautics Board to ensure that adequate flights are available in the peak summer season.

A U.S. administrative law judge is to consider which company should be given the route permanently. Several U.S. air-

lines have applied, including World, Braniff, Capitol International, Northwest and Pan American.

The route is regarded as the third busiest on the U.S.-UK North Atlantic run, after New York and Miami, Florida.

Redundancies at Combe

TWELVE senior management staff have been declared redundant by Combe at Peterborough, part of the Dunbee-Comber-Marx toy group which has been in the hands of a receiver since February.

The redundancies include a works director and managers who have been with the company for more than 20 years.

Investment in roads 'too slow'

BY LYNTON MCALPIN

ROAD SCHEMES and village by-passes worth £12bn, needed for environmental and industrial reasons, may not be finished until the 1990s, the British Road Federation said yesterday.

Britain has fallen steadily behind other European nations in motorway building. Mr. Tony de Boer, the chairman of the federation, told delegates at a transport conference in Scotland.

Spending on roads in Britain has fallen by 30 per cent, after taking account of inflation, since 1973-74.

Last year Britain opened 60 miles of new motorway. This year the total is expected to be 67 miles, compared with the 200 miles a year built by France and by Germany.

CONTRACTS

N. G. Bailey wins £4m orders

Contracts totalling about £750,000 have been won by the Sheffield office of N. G. BAILEY involving electrical installations at Midland Bank, Broad Street House, London; pithead baths at Thoresby Colliery, Notts, for the NCB; factory units for Peterborough Development Corporation; new private hospital for the Nuffield Trust at Derby; and a computer centre at the Liverpool headquarters of Littlewoods stores.

A contract of just under £800,000, to construct a teaching building at the University of Bath, has been awarded to ERNEST IRELAND CONSTRUCTION, part of the Mowlem Group.

HONEYWELL general systems division has won an order for its Level 64/DPS medium-scale computer range worth around £700,000 from Telfon—a subsidiary of the Thomas Tilling Group.

DAVY MCKEE (MINERALS AND METALS), Stockton-on-Tees, has been awarded a contract by the National Coal Board, Doncaster area, for a skip winding plant at Markham Main Colliery, valued at about £600,000.

PEABODY HOLMES has won an order from the British Steel Corporation, Sheffield Division, to supply a gas cleaning plant worth about £400,000 for the Stocksbridge Works.

THE HOMERAG Totalisator Board's subsidiary, Totie Computer Services, has placed an order for an INTERNATIONAL COMPUTERS ME29 computer, costing around £160,000.

GOODENOUGH PUMPS, Leigh, Lancashire, has received two orders from Sri Lanka with a total value of almost £50,000.

ADAMSON BUTTERLEY has won a £133,000 contract from the City of London Corporation to place an order worth

£10m for a 50-tonne radio-controlled crane and a 5-tonne crane. John Smith, the Keighley division of the company, will install both cranes later this year in Cameron's new die assembly area which is part of a five-year forge development programme.

SCIENTIFIC ATLANTA, INC., has been awarded a contract for equipment for Cable Atlanta, Inc's Atlanta, Georgia, cable-TV system. The order, valued at \$3.6m (£1.6m), calls for new high-capacity products capable of bringing 56 channels of programming to subscribers. The system will ultimately total over 1,500 miles of cable distribution, for which Cable Atlanta has a \$3.6m start-up budget. Scientific Atlanta also has an order for over \$1m from Exxon International Company for 20 Maristar shipboard terminals. The satellite communications terminals will be installed on ships of Exxon's tanker fleet.

Moblie medical units, for use in the isolated scrubland of Africa, and housing for medical staff needed by an East African health agency, is being supplied by Halifax-based C. AND R. CONSTRUCTIONS, which has won a £500,000 order.

A Churchill internal planetary grinder, worth £81,000, which can handle bores up to 14 ins diameter and 38 ins long, has been sold to the Naval Dockyards, Bombay, India, by Nevally Group Sales, Peterborough. This is the first order for this type of machine since Nevally took over the Churchill grinding interests from Herbert last year.

SMITHS INDUSTRIES has received an order from Embraer, Brazil, covering flight deck instrumentation and fuel gauging equipment for the Bandeirante and Xingu aircraft. Valued at over £1m the order includes airspeed, vertical speed, tachometer and temperature indicators; fuel gauging systems, compasses and tachometer generators.

DUNLOP hydraulic hose division has been awarded a contract to supply 120,000 ft of subsea hydraulic and electric umbilical bundles for the control of wells in the BP Magnus oilfield.

Brighton pier faces demolition

BY LISA WOOD

BRIGHTON'S 114-year-old West Pier may be demolished next spring if a preservation society does not provide funds for its rehabilitation before November.

This week Brighton Borough Council refused the West Pier Society an extension of time beyond November, in which to raise the necessary funds estimated at more than £1m.

Mr. Reginald Morgan, the council's chief executive said yesterday: "We originally gave the society a year in which to raise the money. This period was subsequently extended for nine months, until November, but

we cannot extend it further.

"The borough engineer has also been authorised to set the wheels in motion for the pier's demolition if the society cannot raise the money."

Demolition of the pier, described by Sir John Betjeman as one of the finest in the British Isles, will need the consent of the Department of the Environment, as it is a Grade II listed construction.

The pier was closed by its owners, AVF Industries, in 1975, and subsequently became the property of the Crown.

Esso criticised for garage plan

BY SUE CAMERON

MOVES BY Esso to change leases into licences at some of its garages could trigger another Monopolies Commission inquiry into the petrol industry, according to Total, part of the French-based oil group.

Esso wants to set maximum petrol prices at the pumps under the new licensing agreements. Last month some 400 Esso dealers attended a meeting organised by the Motor Agents Association to protest against the plan.

Total is believed to operate licensing agreements at about half of the 800 petrol stations it supplies. But it stresses its agreements do not permit it to influence pump prices.

It is worried licences "could become a dirty word" as a result of Esso's moves and the reaction to them.

Total said the "timing and presentation" of Esso's decision

left "something to be desired." There was a chance the Monopolies Commission would hold another inquiry into the petrol industry. Such inquiries inevitably took up "a great deal of executive time."

Petrolina, a Belgian-based petrol company, which also runs some of its service stations under licence but without fixing maximum pump prices, said it saw no "immediate cause for alarm."

But it said it would be "deeply concerned about the time and money involved" if a further commission inquiry were set up.

The Office of Fair Trading, which has the power to recommend Monopolies Commission inquiries, said it had received a number of complaints from Esso dealers about the company's plans.

Civil servant appointed to BNOC board

BY RAY DAFTER, ENERGY EDITOR

MR. PHILIP JONES, a deputy secretary in the Department of Energy, has been appointed a part-time member of the British National Oil Corporation's board.

He succeeds Mr. John Livermore, who is retiring from the Civil Service.

Mr. Jones, aged 48, has recently assumed departmental responsibilities for oil and gas policy and North Sea operations. His previous responsibilities included energy policy and conservation and statistical work.

Details of the reorganisation have still to be settled and it could be next summer before the necessary legislation is enacted.

He will be one of two civil

Bonuses increased

A year ago I was able to announce that we had increased our rates of interim bonus with effect from 1st April 1979. Against this background, it gives me great satisfaction to report that our new annual premiums increased by 20%. In the spring of 1969 we introduced to the market our Selected Period Investment Assurance and thereby opened a new era in savings plans based on traditional with-profits life insurance. The SPI assurance was the original 'open-ended' endowment assurance and remains today the leader in its field.

The year 1979 saw not only the tenth

anniversary of the original SPI assurance, a variant of the SPI assurance specially designed for the more substantial saver wishing to put money aside for the time when income or capital will be required. At the end of ten years the contract provides tax-free benefits which can be taken as a single lump sum at any policy anniversary thereafter or gradually withdrawn over the years. Hallmark differs from other contracts in the market by continuing to earn full Scottish

Prevident bonuses after the ten years

savings period, thereby providing

policyholders with the expectation of a

really attractive investment yield

combined with the highest security.

Contributions to Hallmark may be made

over the ten years or else funded by a lump sum investment.

Into the nineteen-eighties

We are entering a decade full of uncertainties. However, I believe that the enthusiasm among our staff, combined with our inventiveness and strength as a life office, put us in a powerful position as any to meet whatever challenges the nineteen-eighties may offer.

Copies of the Report and Accounts are available on request from the Head Office, The Scottish Provident Institution, 6 St. Andrew Square, Edinburgh EH2 2YA.

UK NEWS

Buoyant tax receipts cut State borrowing

BY DAVID MARSH

BUOYANT tax receipts by the Inland Revenue helped keep down central government borrowing in the fiscal year just ended to close to the levels forecast by the Treasury in 1979. This was in spite of a larger-than-forecast rise in spending caused by high pay awards in the public sector.

Provisional figures from the Treasury yesterday show that central government borrowing for the 1979/80 fiscal year rose only slightly to £8.16bn from £8.08bn in 1978/79. This is much lower than the forecast of £9.56bn in the 1979 Budget.

However, the difference is accounted for almost entirely by sales of public sector assets and accelerated payments of petroleum revenue tax—two revenue-creating measures which were brought into the accounts after the original announcement of the 1979 Budget plans.

The Treasury's latest figure for 1979/80 borrowing is slightly lower than the estimated outturn of £8.28bn published earlier by Sir Geoffrey Howe's Budget on March 28.

Public sector borrowing—which includes the transactions of local authorities and nationalised industries as well as central government—is thought last year to have been around £9.1bn, well above the target of £8.3bn.

After borrowing had shot well above of target during the first nine months of the fiscal year, a spurt in tax receipts helped the Government to turn in a financial surplus in the final three months of around £2bn.

Borrowing in March, the last month of the fiscal year, was only £130m against £1.35bn in March, 1979, with Inland Revenue receipts up £1.05bn and those of Customs and

Divisive Budget attacked by Ron Hayward

BY RICHARD EVANS, Lobby Editor

SIR GEOFFREY HOWE'S Budget was criticised yesterday by Mr. Ron Hayward, general secretary of the Labour Party, for being socially divisive and a blow beneath the belt for working people and their families.

Mr. Hayward's remarks come shortly before the Finance Bill is published next week, probably on Thursday, and the Opposition prepares its detailed attack on the Budget's provisions.

Mr. Hayward said the Budget was designed to set workers against workers and to take Britain back to the 1920s and 1930s, with mass unemployment, mass testing and with no welfare State to protect the victims.

The 16 per cent rise in the mining finance index—where only four stocks are monitored—reflects the rising price of gold and copper in the past six months or so.

Increased Government spending on defence and by the Post Office and growing demand for telecommunications and computer products have made light electronics look the most attractive of the manufacturing sectors when the economy is in recession and total output expected to decline this year.

TOP PERFORMERS FT-ACTUARIES SHARE INDICES FIRST QUARTER 1980			
Dec 31	April 3	gain	
Overseas traders	332.39	391.12	17.67%
Mining finance	161.95	187.96	16.10%
Light electronics TV Radin	254.13	289.45	13.05%
Building materials	198.19	223.65	12.85%
Property	316.73	356.34	12.50%
FT all share 750	229.79	241.36	5.03%
FT 500 share	246.3	258.37	4.95%

Harrison takes over at Decca

MR. NIGEL GRAHAM MAW has resigned as chairman of the board and acting chief executive of Decca. It is the first change to the board since Racial won control of Decca against General Electric Company in February.

RAYMOND HUGHES REPORTS ON THE DISPUTE OVER FLAGS OF CONVENIENCE

Battles at sea will be decided in court

AT A RECENT shipping conference in London a speaker remarked that the effects of the dispute over flags of convenience on the industry's industrial relations had been worsened by the attitude of some courts—"especially in the UK."

Some shipowners may have regarded this as a mild way to describe the effect of the decision on the Hong Kong registered Navals.

The House of Lords ruling in that case drastically altered the balance of power in the flags of convenience war in favour of the International Transport Workers' Federation (ITF).

Before the 1974 Trade Union and Labour Relations Act came into force, a trade dispute, if it were to be lawful, had to be directly between an employer and his workers. The 1974 Act broadened the definition to enable a union to qualify as "workers."

On that basis, the Lords held in the Navals case that industrial action by the ITF as part of its campaign to improve the terms and conditions of employment of seafarers on ships flying flags of convenience was in furtherance of a trade dispute, and therefore covered by the legal immunities afforded by the Act.

The decision dealt a blow to the morale, and the pockets, of ship-owners operating under flags of convenience, whose vessels form a large part of the world merchant fleet.

It legitimised, a course of action used more and more often by the ITF since it intensified its campaign against flags of convenience in the early 1970s.

More recently, a judge in the Commercial Court redressed the success was in the case of the

balance slightly when he ruled that the ITF could not lawfully demand that a shipowner contribute to the federation's welfare fund, because such a demand did not relate in the terms and conditions of employment of the seafarers concerned. The ITF is to challenge that ruling in the Appeal Court.

Worried by the Navals decision, the shipowners took heart from the thought that the Government's pending Employment Bill might outlaw the sort of practice the Lords had approved. The Liberian Shipowners' Council in particular lobbied hard for such a change.

But they seem to have failed. Recent amendments to the Bill go nowhere near as far as the shipowners hoped.

The ITF, to which transport workers' unions in 85 countries are affiliated, has been determined to improve the wages and conditions of all seafarers serving under flags of convenience to levels paid on average to seafarers of the leading maritime nations. One of its principal objections to flags of convenience is that they facilitate the use of cheap labour, mainly Asian seafarers.

In furtherance of this aim, the ITF adopted a policy of "blocking" vessels flying flags of convenience, demanding the price of release that the owners sign standard ITF agreements.

The demands invariably insist that the crew's wages be raised to ITF approved levels, backdated to the day on which each crewman signed on.

On the ITF's own figures, this involves millions of pounds a year.

In the legal battle that ensued, the shipowners' first

defeat came when the Appeal Court ruled that "blocking" the vessel was not in furtherance of a trade dispute.

The court based its decision on the fact that, as is not uncommon in these disputes, the Camilla M's crew had sided with the owners. That led Lord Denning to infer that the federation was acting "for some extraneous motive" unconnected with its concern for the vessel's crew; that there was no trade dispute; and that an injunction could therefore be granted to the shipowners in the Appeal Court.

Worried by the Navals decision, the shipowners took heart from the thought that the Government's pending Employment Bill might outlaw the sort of practice the Lords had approved. The Liberian Shipowners' Council in particular lobbied hard for such a change.

But they seem to have failed. Recent amendments to the Bill go nowhere near as far as the shipowners hoped.

The ITF, to which transport workers' unions in 85 countries are affiliated, has been determined to improve the wages and conditions of all seafarers serving under flags of convenience to levels paid on average to seafarers of the leading maritime nations. One of its principal objections to flags of convenience is that they facilitate the use of cheap labour, mainly Asian seafarers.

In furtherance of this aim, the ITF adopted a policy of "blocking" vessels flying flags of convenience, demanding the price of release that the owners sign standard ITF agreements.

They went further. If a worker's demand on an employer was about terms and conditions of employment, the fact that it was unreasonable, or might drive the employer into bankruptcy or out of business, was irrelevant.

The immunity granted to unions under the Act "is not made in furtherance of a trade dispute. In addition the judge

Welsh agency will decide next week on plan for Leiner

BY ROBIN REEVES, WELSH CORRESPONDENT

THE WELSH Development Agency is to decide next week whether to give the go-ahead for the takeover of part of the assets of P. Leiner and Sons, the gelatin manufacturer put into receivership last February.

A consortium assembled by Mr. Jack Loveland, Leiner's former chief executive, has offered to buy the photographic gelatin side for a sum reported to be about £710,000.

The sale requires approval of the agency, as landlord of Leiner's premises on the Treforest Estate. Just before it failed, Leiner's debts to the agency included more than £1m for rent and services. A year earlier the agency invested £2m in the company to try to strengthen its financial base.

Discussions were held at the agency's headquarters yesterday and agency executives agreed to study the purchase scheme, with a view to a decision next week.

In the balance sheet of Leiner's regular photographic customers, who are pressing to know whether supplies are to be maintained, and a £3.5m contract to build a gelatin plant in Romania. This was secured shortly before Leiner was forced into receivership.

The Caernarvon factory employs 800 and is the area's biggest single manufacturing employer. The second largest, Bernard Wardle, is being shut with the loss of 320 jobs.

The announcement is Aurora's latest step in rationalising much of the declining special steel industry in Sheffield. It has recently faced difficult trading conditions, due partly to the steel strike.

The "phasing down" of the Moor works at Bradford was nothing to do with the strike, the company said yesterday. It was simply "a matter of logic and commonsense."

It said that it was consulting Government departments and trade unions over the plans. Some employees at Bradford would be offered jobs at other plants, he added.

The teachers already face the threat of large-scale redundancies, and subjects are rapidly disappearing from the school timetable as teachers leave without being replaced, he told the National Association of Schoolmasters and Union of Women Teachers' annual conference.

"If the Government refuses to change course on its public expenditure plans, the education service that was created by the 1944 Education Act will, in large part, be dismantled, and we will be back to the 1930s," he said.

Parents are having to buy school text-books, and we now face a further 6% per cent cut in the running of primary and secondary schools."

Opportunities for adults to continue their education were also disappearing as authorities slashed their classes and pushed up charges.

"In the next academic year adult education faces a further cut of £15m."

"Further education has been hit, as have some aspects of the Manpower Services Commission programmes for the young unemployed."

It was clear, impossible for local authorities to offset these drastic cuts simply by scrapping school meals or raising prices.

He accused the Government of not understanding 20th-century economics: "They do not understand the sophisticated relationship between public and private-sector activities."

"What is happening is the creation of a black hole into which social standards and economic activities are being dragged."

"Jobs lost in both public and private sectors through cuts in private spending, mean that everyone will be worse off, and that the acrimony about how we use scarce resources will increase. That is a sure recipe for division in our society."

The farmers want all dogs found straying to be impounded and slaughtered if unclaimed in seven days. They also demand that owners should have to take out third party insurance to cover damage done by their dogs.

Other suggestions discussed at a recent meeting of the Kent branch of the National Farmers' Union include fines for owners of straying dogs, presentation of a licence when buying a dog, increased licence fees, and compulsory collar identification.

He was not swayed by an argument by the ITF that if he ruled against it on the welfare fund but because as the ITF had conceded, those purposes were not charitable, the trust was void and the money repayable.

As far as the hawker claim was concerned, the judge said that those crewmen who had assigned their shares had done so freely and the company was therefore entitled to those shares.

He was not swayed by an argument by the ITF that if he ruled against it on the welfare fund claim it might be laid open to having to repay similar contributions made by other shipowners in the course of the ITF's campaign.

For shipowners the case was important in two ways. First, it held that extraneous demands such as a claim for a contribution to the welfare fund cannot be based on demands of the shipowners.

Mr. Harold Motte, chairman of the GLC's transport committee, said yesterday that about 500,000 passengers a year use the station and it is near two hospitals.

Secondly, it drew attention to the welfare fund which, it was revealed, had contained £7.65m at the end of 1978—a growth of £5.7m in two years, which Mr. Justice Parker commented, "demonstrates clearly that its income is vastly in excess of what ITF considers to be enough for its purposes."

Not surprisingly, the ITF disagrees, saying it uses the fund responsibly for the benefit of seafarers in strict accordance with its rules. The federation also stands by its view that requests for contributions to the fund are part and parcel of the legitimate demands it can make of shipowners—a view it expects the Appeal Court to accept.

The grant is subject to agreement of a trade dispute and establishment committee.

THE GOVERNMENT'S plans for dealing with young adult offenders are to be announced in the summer. Mr. Leon Brittan, Home Office Minister of State, said yesterday.

They would be based on the principle of allowing courts to decide the appropriate length of sentence and establishing a custodial structure based on a realistic recognition of available resources, he told a meeting of magistrates in Norfolk.

Referring to the "short sharp shock regime" promised by Mr. William Whitelaw, the Home Secretary, last summer, Mr. Brittan said this would be introduced this month into two existing detention centres, one senior and one junior.

They would be based on the principle of allowing courts to decide the appropriate length of sentence and establishing a custodial structure based on a realistic recognition of available resources, he told a meeting of magistrates in Norfolk.

It was high time that a step was taken to try a firmer way of treating young offenders and the experiment would be monitored very closely, he said.

It was high time that a step was taken to try a firmer way of treating young offenders and the experiment would be monitored very closely, he said.

It was high time that a step was taken to try a firmer way of treating young offenders and the experiment would be monitored very closely, he said.

It was high time that a step was taken to try a firmer way of treating young offenders and the experiment would be monitored very closely, he said.

It was high time that a step was taken to try a firmer way of treating young offenders and the experiment would be monitored very closely, he said.

It was high time that a step was taken to try a firmer way of treating young offenders and the experiment would be monitored very closely, he said.

It was high time that a step was taken to try a firmer way of treating young offenders and the experiment would be monitored very closely, he said.

It was high time that a step was taken to try a firmer way of treating young offenders and the experiment would be monitored very closely, he said.

It was high time that a step was taken to try a firmer way of treating young offenders and the experiment would be monitored very closely, he said.

It was high time that a step was taken to try a firmer way of treating young offenders and the experiment would be monitored very closely, he said.

It was high time that a step was taken to try a firmer way of treating young offenders and the experiment would be monitored very closely, he said.

It was high time that a step was taken to try a firmer way of treating young offenders and the experiment would be monitored very closely, he said.

It was high time that a step was taken to try a firmer way of treating young offenders and the experiment would be monitored very closely, he said.

It was high time that a step was taken to try a firmer way of treating young offenders and the experiment would be monitored very closely, he said.

It was high time that a step was taken to try a firmer way of treating young offenders and the experiment would be monitored very closely, he said.

It was high time that a step was taken to try a firmer way of treating young offenders and the experiment would be monitored very closely, he said.

It was high time that a step was taken to try a firmer way of treating young offenders and the experiment would be monitored very closely, he said.

It was high time that a step was taken to try a firmer way of treating young offenders and the experiment would be monitored very closely, he said.

It was high time that a step was taken to try a firmer way of treating young offenders and the experiment would be monitored very closely, he said.

It was high time that a step was taken to try a firmer way of treating young offenders and the experiment would be monitored very closely, he said.

It was high time that a step was taken to try a firmer way of treating young offenders and the experiment would be monitored very closely, he said.

It was high time that a step was taken to try a firmer way of treating young offenders and the experiment would be monitored very closely, he said.

It was high time that a step was taken to try a firmer way of treating young offenders and the experiment would be monitored very closely, he said.

It was high time that a step was taken to try a firmer way of treating young offenders and the experiment would be monitored very closely, he said.

It was high time that a step was taken to try a firmer way of treating young offenders and the experiment would be monitored very closely, he said.

It was high time that a step was taken to try a firmer way of treating young offenders and the experiment would be monitored very closely, he said.

</

THE WEEK IN THE MARKETS

Trailing the short tap

LONDON
ONLOOKER

hundred million pounds nominal of the short tap to swallow.

Bowater steady

In North America, and the weakness of the dollar last year was distinctly inconvenient. Translation of overseas earnings was reduced by \$8m as a result of the change in year-end exchange rates, and the steady firming of sterling pushed the UK newsprint business into deeper loss. On top of this, Ralli's cotton trading activities turned from a \$2m profit in 1978 into a loss of \$6m.

But the group managed to push overall pre-tax profits

fractionally higher, from £90m to £91.3m, largely thanks to a very strong performance by the pulp and paper activities in North America. Prices firmed throughout the year, and Bowater ran its mills up to full capacity. What is more, it is confident of being able to do so throughout 1980; it is not expecting much of an economic downturn in the Southern U.S. its major market, so margins should be pretty good again.

Against this, margins on the British packaging side are likely to suffer this year, and newsprint in the UK is set for another loss. But the interest charge has come well under control—thanks to some asset sales. It was unchanged in 1979 despite the sharp rise in interest rates, so most of the 29 per cent profits rise is attributable to Smiths—the new snack foods division which has increased UK food sales by 50 per cent.

While trading conditions will continue to be far from easy, the main headache is going to be the level of interest rates in the current year. Meanwhile there is still some uncertainty about Rowntree and its strategic 20 per cent stake in the company, although a "marriage" would undoubtedly catch the eye of the Monopolies Commission given the concentration of count lines by the two groups.

Cut-throat biscuits

The biscuit war continued unabated during 1979 with the scars showing up plainly in this week's results from Associated Biscuit Manufacturers. With the UK market showing a volume downturn of about three per cent, the competition was cut-throat—a state of affairs compounded by the haulage strike, the sharp jump in VAT.

By common consent, you've got to be something of a workhorse if you are going to be self-employed and build a business.

But a blinkered workhorse can become an ass when he suddenly discovers he can't afford to retire.

Because unless you have provided for the autumn of your years, you have nothing to fall back on, apart from the basic old age pension.

To protect yourself from this fate, you've probably thought about getting a pension.

So isn't it time you did something about it before it's too late?

But first, a word of warning. Not all pensions are the same. They can differ enormously in the way they perform.

expansion has been to dilute the speciality niche in the marketplace, and to shift business from high to low margin. For the last five years the company has been on a profits plateau, and whereas trading margins were 10.8 per cent in 1974, last year they had shrunk to below 7 per cent. This was nearly a full point below the slump year of 1975.

Last year's results provided little evidence that the company is about to break out of its profits stagnation. While the pre-tax decline in the first half was blamed largely on the impact of the haulage strike, trading margins fell from 6.7 to 6.5 per cent in the second six months—a bigger drop than in the first. Pre-tax profits were down 2.5 per cent at £14.7m.

The main reason was competition from abroad in food gelatines, which transformed a £1m profit from the gelatines division into a £1m loss. The company has taken action to stem this loss, by closing down a factory, and food gelatines should be in balance for the current year. At the same time there has been some improvement in gelatine margins due to the collapse of the company's main UK rival into the hands of the receiver.

But there are considerable pressures to face in 1980, with higher labour and energy costs likely to prove difficult to recoup as the world market softens. The steel strike and an internal dispute mean that sales are below target so far and profits are likely to be about £13m in the current year. The share price was unchanged on the results on Wednesday at 43p, and after a 27 per cent

rise in the dividend the yield is a little over 10 per cent.

Following fashion

Burton's upturn has come to a grinding halt in the first half of the current year. Reported profits edged up from £9.24m to £9.34m pre-tax but after stripping out non-trading items—an extra £1m this time—and the first time inclusion of Dorothy Perkins underlying profits have gone down perhaps a tenth.

The company is probably heading for profits for the year little changed against 1978-79's £17.1m though a better return

	Y/day Price	on Week Change	High 1980	Low 1980	
FT Ind. Ord. Index	435.6	+ 3.0	478.3	406.9	Overshadowed by Gilts
FT Govt. Secs. Index	66.16	+ 1.42	69.26	63.95	Broad-based demand
FT Gold Mines Index	307.7	+ 20.3	377.9	265.5	Rise in bullion price
Ashton Mining	114	-23	140	100	Ashton report disappoints
BP	354	-16	412	328	Profits warning
Brown and Jackson	170	-25	225	138	Profit-taking
Burton	113	-14	128	104	Disappointing interim figures
Central Pacific Minerals	£191	-21	£26	£151	Profit-taking
Coral Leisure	66	-14	80	60	London casino licences threatened
Empire Stores	142	-12	178	142	Company's profits warning
Erith	127	-13	127	104	Increased profits 100% scrip
Impala Platinum	280	+28	358	240	Firm free market Platinum
Ladbrokes	148	+14	162	122	Good preliminary results
Northern Mining	106	-16	145	90	Ashton report disappoints
Pearl Assurance	308	+16	308	268	Better-than-expected results
Selection Trust	610	-16	800	586	Disappointment with dividend
Siebens (UK)	640	-30	930	404	Comment on Marathon N/S Sea find
Sir David	82	-10	120	82	Liquidation of spec. positions
Southern Pacific Petroleum	712	-113	£101	575	Profit-taking
Tilbury Contracting	187	+20	205	155	Div. maintained despite poor pfs.

rise in the dividend the yield is a little over 10 per cent. Dorothy Perkins in the second half and the start of trading from some of the ex-Harvey stores that Burton bought could give a little extra impetus to the closing six months.

The market, however, remained unimpressed and marked the shares 7p lower to 121p on Thursday following the announcement.

But the figures should be viewed in the light of the generally sluggish market for menswear. Both Burton and Hepworth, which reported last week, appear to be holding up

fairly well despite the problems. The irony is that the fashionable end of the market—the Lord John's and Fenton's—are facing a very difficult period.

Other retailing news this week came from Empire Stores, the mail order company. The market should have been satisfied with the pre-tax rise of an eighth, especially as the performance contrasts reasonably well with Freemans, which was caught by write-downs on its fashion stocks. Dealers are now looking expectantly at Grattan. Figures should be out any day now and they are anticipating some fairly bad news.

PROVIDENT MUTUAL
Pension Plans

We talk your language.
Provident Mutual Life Assurance Association. Founded in 1840.
25/31 Moorgate, London EC2R 6BA.
Telephone: 01-628 3232.

Workhorse
or ass?

NEW YORK

IAN HARGREAVES

the quarter—a respectable 13 per cent higher—but Mr. Reginald Jones, its chairman said the last few weeks had seen "a definite slowdown in the rate of incoming orders for some of our shorter cycle operations."

Mr. Jones, however, wants to wait and see before he leaps to the conclusion that the Fed's measures have really side-swiped consumer spending.

The question for the market is how far to discount the presumed dent business profits in the second and third quarters of the year, assuming that by then the recession will have started to blow some nasty holes in company performance.

Given the strength of the market this week—the Dow Jones industrial average rose steadily, although in moderate trading from Tuesday onwards—it seems more likely that investors have been taking confidence from the stabilising of interest rates than seriously addressing the problem of the likely decline in economic output.

Nor is there much likelihood that stocks will benefit from any sudden inflow of funds as the most attractive investment option in the U.S. still is, and is likely to remain so for at least a few more weeks if not months, the high interest rates available on short term securities.

Historically, the stock market tends to reach a low point around three months into a recession and there is no possibility that this stage has been reached. It therefore appears likely that the market has some pitfalls ahead of it in the next few weeks. The push required for it to fall into those holes could well be the big name companies which will produce poor figures, such as Ford and possibly some of the big steel companies.

Evidence for the impression that the market is acting more in relief at the easing in long term bond yields and in the short rates more than because it feels sure of the direction of the economy is increased by the fact that the strongest performers in the market this week have included the interest rates-sensitive utility companies, such as American Telephone and Telegraph, whose capital raising and capital spending plans have been seriously hurt by the collapse in bond prices in the last six months.

Perhaps the most indicative set of figures was from General Electric, positioned as it is at the heart of both America's consumer electrical industry and the longer cycle power plant and aerospace sectors. GE reported net income for

hours and on production

and cost of goods sold

reduced by 15.7 per cent

in the year to 1979, compared

with a 15.9 per cent

current year.

GE reported net income for

hours and on production

and cost of goods sold

reduced by 15.7 per cent

in the year to 1979, compared

with a 15.9 per cent

current year.

GE reported net income for

hours and on production

and cost of goods sold

reduced by 15.7 per cent

in the year to 1979, compared

with a 15.9 per cent

current year.

GE reported net income for

hours and on production

and cost of goods sold

reduced by 15.7 per cent

in the year to 1979, compared

with a 15.9 per cent

current year.

GE reported net income for

hours and on production

and cost of goods sold

reduced by 15.7 per cent

in the year to 1979, compared

with a 15.9 per cent

current year.

GE reported net income for

hours and on production

and cost of goods sold

reduced by 15.7 per cent

in the year to 1979, compared

with a 15.9 per cent

current year.

GE reported net income for

hours and on production

and cost of goods sold

reduced by 15.7 per cent

in the year to 1979, compared

with a 15.9 per cent

current year.

GE reported net income for

hours and on production

and cost of goods sold

reduced by 15.7 per cent

in the year to 1979, compared

with a 15.9 per cent

current year.

GE reported net income for

hours and on production

and cost of goods sold

reduced by 15.7 per cent

in the year to 1979, compared

with a 15.9 per cent

current year.

GE reported net income for

hours and on production

and cost of goods sold

reduced by 15.7 per cent

in the year to 1979, compared

FINANCE AND THE FAMILY

An invalid will

BY OUR LEGAL STAFF

I was appointed an executor under the will of an old lady which was made on a statement's printed form. It seems that when it was signed only one of the witnesses was present, though there is no doubt as to the testator's intentions. Under these circumstances, could the court authorise the administrators to distribute in accordance with the terms of the will?

The court has no power to authorise distribution in accordance with the terms of an invalid will; it must distribute as an intestacy. If all the persons entitled on intestacy are found and they all turn out to be of full age they can enter into a deed rearranging their entitlement so as to accord with the "will" if they so wish.

Liability for ground rent

I have a ground rent secured on three adjacent houses, the lessee being the executor of an estate. I have now been told by the executor that the properties have all been sold and that I should apply to one of the purchasers for the ground rent due. In practice, I was told, the demand should go to the one who bought the last property. Could you comment, please? Should I not have received some official document which I could attach to my original lease to imply that the new party is the new lessee and aware of his obligation to pay ground rent? You are entitled to demand the full ground rent from any of the three properties' owners so long as there has not been an apportionment between them to which you have assented by executing a deed of apportionment. You do not have to choose one rather than another. If the lease contains no provision requiring assignments to be registered with you, you

must make your own inquiry at each property to ascertain who the assignees are. However, covenants requiring registration are commonly contained in 20th-century leases.

Irish CGT and the UK

I have recently sold a freehold property in the Republic of Ireland for £40,000 gross, part paid to date. I understand that I must pay Irish capital gains tax on the net sum received, but I do not know how this will be assessed nor the amount payable. I understand that I shall also be liable for UK capital gains tax. Please can you tell me if I can obtain a full or partial rebate on either the Irish or the UK capital gains tax, and, if so, how?

The Irish CGT will be allowed as a credit against the UK CGT liability (under articles 14(1) and 21(2)(a) of the Ireland-UK double taxation convention of June 2, 1976). When reporting the chargeable gain in your UK tax return (as calculated under

the UK CGT rules), you should tell the UK inspector that you claim credit for Irish CGT under section 10 of the Capital Gains Tax Act 1979.

For the purposes of giving credit, the Irish CGT will be converted to sterling at the punt/pound exchange rate on the day on which the Irish tax falls due for payment.

We have assumed that the Irish CGT liability will be smaller than the UK CGT liability (before credit), as this seems pretty certain, from what you say.

Negligence in paying tax

A firm of solicitors have paid tax in connection with a deceased estate very late and have admitted their neglect. What is our position as executors vis à vis the beneficiaries, if we agree to share the interest due on the tax equally with the solicitors.

A great deal depends on the amount of interest which has had to be paid. If the 50 per cent which the estate is asked

Interest and a takeover

As a result of a takeover I had I eventually submitted my shares to the bidder; but for one reason and another (not the fault of the bidder) the payment was delayed.

I finally elicited the information that the money was held in an interest bearing deposit account and on requesting payment of the interest, the company replied, and included the following paragraph:

"Upon the global transfer having been effected on October 17, 1976, I was appointed trustee of the funds that were paid in consideration of your and other dissenting shareholders' interests in

the company. These funds were placed on deposit to ensure, among other things, separation from the company's working capital. All interest that has been earned has gone towards offsetting the cost of administration and I regret to have to advise you that payment of all or part of the interest cannot be entertained. Do you agree?"

We think that you have a strong case for requiring the payment of interest on your share consideration at least from the time when the money ought to have been paid in the normal course; or the money was held on trust for you.

I wrote to my own tax office twice to ask how to get over this but they have never replied. How can she get into the system? Can she apply for income tax relief repayments

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

to bear can be seen as a fair reflection of the cost to the estate of litigating the issue, it will be accepted; otherwise not. It is in doubt seek advice from another firm of solicitors.

Payment of tax withheld

On August 9, 1977, I purchased £12,532 in 15% per cent Treasury Stock 1998. Although I have long been declared non-resident for tax purposes, £330 tax was deducted on September 30, 1977, March 30, and September 30, 1978. All attempts to reclaim payment have so far failed.

Would you please advise me what steps I can now take to recover the money and if possible the interest on it from HM Government?

It is a pity you did not give us details of your attempts to claim repayment of the tax withheld (and say whether the claims have been refused or simply ignored). Presumably you submitted the appropriate claim form A1 to the Inland Revenue Foreign Dividends Office (at Lynnwood Road, Thames Ditton, Surrey, Great Britain KT7 0DP) accompanied by the three tax vouchers if so, and if you consider that the form was completed correctly but has not been dealt with within a reasonable time of its submission, you could complain to the Board of Inland Revenue at Somerset House, Strand, London, Great Britain WC2R 1LB.

Unfortunately, Parliament specifically legislated in 1975 that non-residents should not receive interest (repayment supplement, to be precise) on delayed tax refunds. If you wish to protest at this discrimination, which appears in section 47(1)(a) of the Finance (No. 2) Act 1975, you could write to an MP—the MP for

your old constituency, perhaps—or to the Minister of State, Treasury, Parliament Street, London, Great Britain SW1P 3AG.

Letting

I have recently moved to a larger house which has a small flat attached, but which has been used as part of the main residence to date. I would like to let this part of the house, having three rooms and private access, in such a way that I can retain the right to evict unsuitable tenants with the minimum of trouble should this event arise. Could you please advise?

It may be that your best way is to give licences rather than tenancies, but these must be most carefully drawn. It is unwise not to coos a solicitor. If the flat is not self-contained you may be able to use the resident landlord provision in the Rent Act 1977. There is also a Bill now before Parliament which proposes new exempt leases—shortholds—which may come into force before long.

Driving overseas, with and without the green card

INSURANCE

JOHN PHILIP

"I NEVER bother about a green card" was the startling statement made by an occasional travelling acquaintance who spends much of his working life driving across to France and the Low Countries. In fact, a conversation stopper among our home-bound commuting group, who are nothing if not orthodox in the way they make their holiday motoring arrangements.

To substantiate his point, our friend went on to emphasise that motor insurers, because of our road traffic laws, are obliged to afford him, in the member countries of the EEC, third party cover sufficient to meet the requirements of local compulsory laws.

Moreover, because of agreements with eight other non-EEC countries, the British motorist is now better off, for as I have said, the green card is essentially voluntary, and confirms only that the motorist has such cover as is required locally.

In practice, the British motorist who gets a green card should be much better off, because to get that card he will have to go to his insurers and tell them of his motoring intentions—where he is going, for how long and who is going in drive.

Depending on their view of the risk, insurers will probably provide abroad much if not all of the cover that the motorist enjoys at home, but this overseas non-compulsory cover is not provided by the green card. This is a point of view, in strict insurance law tenable, because in the mid-seventies the Common Market countries decided to abolish the examination of insurance documents of EEC motorists at internal frontiers. The assumption is twofold—that each member state imposes and enforces its own insurance requirements and that each member state requires all insurance policies to be given minimum cover through the EEC. So why waste time in examining certificates?

The green card is nothing more than an internationally accepted motor insurance certificate, which provides evidence in standard form, it confirms that the issuing insurers are providing protection for the named motorist in respect of legal liabilities required by law to be insured in those countries for which the green card is valid.

With more and more motorists crossing frontiers, presumably both Continental and British traffic police, have got used to examining a host of different insurance documents—usually after accidents. If this is so, then arguably the standard form green card, viewed simply as an evidential document, has a real purpose only when the motorist is going to travel outside the EEC and the other eight "non-inspecting" countries.

Compulsory insurance laws in the 17 non-inspecting countries are by no means uniform. The British motorist has to have cover of unlimited financial amount in respect of his liability to all other road users for death and injury—including liability to passengers and liability to members of his own family.

But, for example, in France, the motorist does not have to cover liability to passengers, or to his own insurers.

The Gartmore Moneybuilder

The Moneybuilder is an important concept by Gartmore to make unit trust investment as simple as possible.

You can start investing with as little as £25 and add to it whenever you like with £25 or over. Alternatively you may invest regularly by Bankers Order with as little as £10 a month. Taking money out is just as simple.

When you start a Moneybuilder Plan you receive a Passbook that includes full particulars of how the Plan operates, together with details of your investments. You are not involved in any further paperwork such as contract notes and certificates. Therefore, the transaction is completed in one easy step. Income from the investment is automatically re-invested for you.

You may feel that the Moneybuilder is particularly suitable for investment on behalf of children and so we have included in our general booklet important guidelines on how this is best carried out.

A wide choice of investment You can link your Moneybuilder Plan to any of nine Gartmore unit trusts. These specialist trusts offer a range of investment alternatives from high income to capital growth, both in the UK and overseas.

To start your plan

Simply fill in the coupon below, send it to us and we will forward you full details of the Plan together with a booklet on Gartmore unit trusts.

Remember that because you are investing in shares, the value of your Moneybuilder Plan can go down as well as up.

To: Gartmore Fund Managers Ltd., 2 St Mary Axe, London EC3A 8EP. Tel: 01-6114151 (lines). Please send me full information on the Moneybuilder Plan.

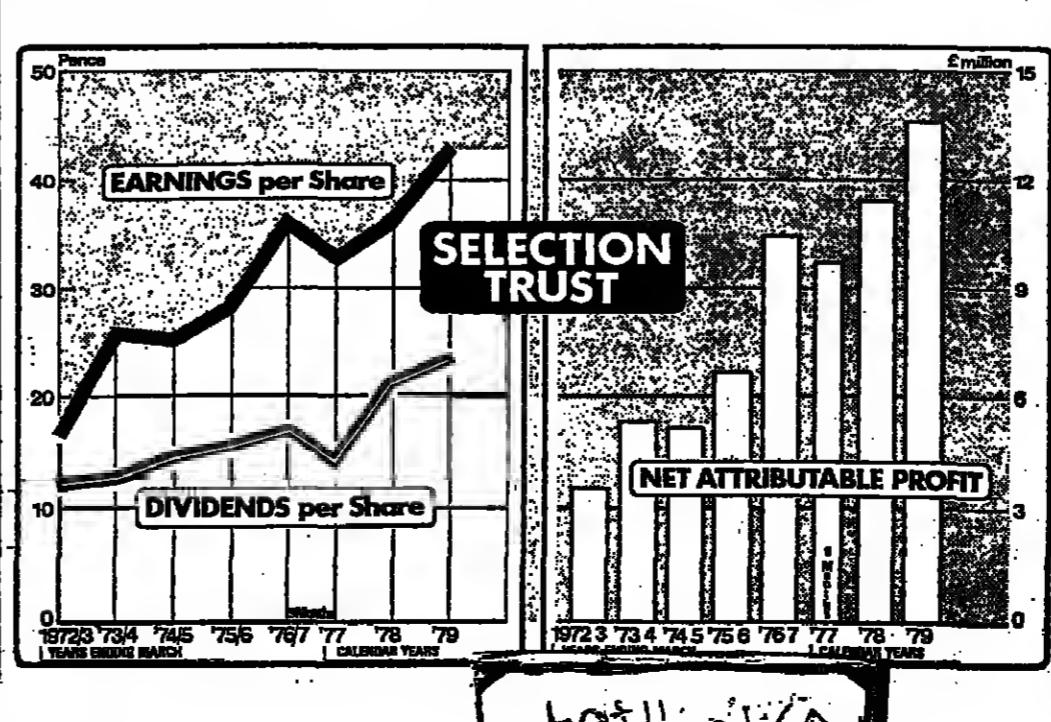
Name _____

Address _____

FT1204

GARTMORE

£700,000,000 under Group Management
Member of the Unit Trust Association



QUOTE "BUY GOLD AT \$44 PER OZ"

Jerome F. Smith, 1971

In late 1971 Jerome F. Smith, internationally acknowledged economist and Editor of World Market Perspective, urged investors to buy gold bullion at the then market price of U.S. \$44 per ounce. In 1967 he strongly recommended silver at U.S. \$1.29 per ounce. In 1977 he advised his subscribers to buy platinum: investment diamonds and Swiss francs at very low levels. His subscribers could have since made well over 1000% profit.

WORLD MARKET PERSPECTIVE is an international, free market, hard money oriented monthly publication with a proven 10 year track record for picking low risk but highly profitable investments based on long-term fundamental research. It has over 25,000 subscribers world wide.

WORLD MARKET PERSPECTIVE correctly predicted double-digit inflation for the 1970's and now predicts triple-digit hyper-inflation for the 1980's. You can profit from this startling forecast by reading Jerome F. Smith's best selling book "UNDERSTANDING RUNAWAY INFLATION" which can be yours FREE by subscribing now to World Market Perspective PLUS A FREE SPECIAL REPORT on "GOLD IN THE EIGHTIES".

A one year subscription only costs £48 (or U.S. \$68) airmailed, first class, direct to you.

If after 90 days you are not fully satisfied with your subscription, you will receive a FULL REFUND and the book and special gold report are yours to keep just for trying WORLD MARKET PERSPECTIVE.

Alternatively, you can take a 3-month trial subscription for only £10 (U.S. \$24) which includes the gold report but not the free book.

To: World Market Perspective, P.O. Box 23, Hemel Hempstead, Middlesex, TW3 1LN, United Kingdom. Telephone: 01-570 6901

Tick YES please enter my subscription for one year at £48 (U.S. \$68). Send me my FREE copy of Understanding Runaway Inflation and the special report on GOLD. I will receive a full refund if not fully satisfied within 90 days.

YES please enter my subscription for a 3 month trial at £10 (U.S. \$24). Send me my FREE report on GOLD (book not included).

My cheque is enclosed.

Card No. _____

Expiry date. _____

PAYMENT MUST ACCOMPANY ORDER

Name _____

Address _____

Signature _____

(Invalid without signature)

FT1.2

YOUR SAVINGS AND INVESTMENTS 1

Nicholas Colchester looks at the services British banks offer on financial planning

Getting the right advice

BRITISH CLEARING banks are traditionally passive in the way they offer advice on financial planning and investment to their private customers. It is up to the customer to sift through the ranks of leadets offering financial services or alternative investments.

It is up to the customer to make his appointment with the bank manager. The only moment when the bank branch can be reliably counted upon to take the initiative in suggesting changes in the customer's financial affairs is when he has sunk into the red.

I have compared three years of banking with Dresdner Bank in Germany with one of the UK clearing banks and it is precisely in the matter of financial advice that the contrast has been most striking. About once a year, on average, my German bank manager would corner me and cashed a cheque and offer me an unprompted advice on my personal balance sheet.

"Herr Colchester," he would whisper, clapping a computer print-out of my affairs, "you have a great deal of money on current account earning no interest. Why not put some more into your savings account? Or how about buying some of this high yielding bond issue from a Federal state, which matures shortly before you return to London?"

Since my return I have con-

sistently had an excessive amount of cash on my clearing bank current account—perhaps all that German prodding made me lazy—and I have, of course, heard nothing from my bank manager. My interest-free deposit was a small part of the reason why rising interest rates produced a profits bonanza for the clearing banks last year.

The German bank's approach owed nothing to altruism. As a "universal bank," rolling the functions of clearing bank, merchant bank and stockbroker into one institution, it profited handsomely from its ability to place the Federal State bond issue with broad spread of private investors including myself.

As a major provider of long-term funds to German industry, it was happy to pin down my money in a savings account rather than have it withdrawn without notice. My German bank manager's initiative led to the best sort of business transactions. I benefited; he benefited.

Obviously the British clearing banks have no short term incentives to dissuade their customers from making them interest-free loans which can be re-lent at high rates of interest. But in the longer term they might well find they would do better to become less passive in offering advice to their clients.

The clearers are involved in a gradual shift towards universal banking, they thus have an interest in developing a relation-

ship with customers covering a broadening range of financial services and forms of investment.

The competition could heat up if Citibank and Bank of America are planning to become forces in British retail banking, and a Swiss bank is rumoured to be considering such a move too. These banks may well feel that the British bank manager's passivity is a small part of the reason why only half the adult population of Britain has a commercial bank account—one of the lowest market penetrations in the developed world.

English bank managers are under a general instruction not to give advice on investments to customers even if they ask for it. The are supposed to act as a channel for investment advice between the customer and experts—either a firm of stockbrokers or specialists within the bank.

The reason for this is that bank managers do not charge for their advice but, nevertheless, run some risk of being sued for professional negligence should their advice turn sour. Lloyds Bank, for instance, explains that its branch manager can initially make only general recommendations about the structure of a customer's finances, but that once the customer pays a fee the bank manager can then call upon specialists and become more specific.

All clearers insist that their branch managers are ready to help customers arrange their financial affairs if the task for advice. Some go beyond this and offer specific financial planning service, drawing on the investment talents of their trust companies. These services are tailored to the "man in the street" who feels his financial affairs need critical re-appraisal.

Barclays Bank offers the Money Doctor Service to customers and non-customers of the bank. It costs £70-£100 but appears to be the most comprehensive service offered by a clearer. The customer fills in a questionnaire, which he can pick up from a Barclays branch, and this is then studied by one of Barclays' 28 trust companies.

A report of 10-20 pages is then prepared. It covers savings and investments; insurance; trusts for say, education; pensions; wills and capital transfer tax. The report is not afraid to make specific recommendations about the policies or securities which the customer should buy to get his affairs into shape.

Midland Bank Trust company offers a financial counselling service to all-comers. The customer describes his financial affairs in a questionnaire. He then receives verbal commentary and advice at one of Midland's 40 Trust Company offices. He pays £30 for the first hour of this, and Midland says that an hour is generally enough.

Neither National Westminster nor Lloyds has a specific financial planning scheme, though Lloyds says that if a customer wants advice on such planning an interview with a trust specialist will be arranged by the branch manager. Lloyds does not charge for such an interview.

SIR GEOFFREY HOWE'S Budget proposals stopped the sale of one and two year income bonds offering ultra high yields, a lucrative business for both investors and those life companies marketing such bonds.

But the Guaranteed Income bond market is not dead, although at present it is extremely quiet. Many of the life companies operating in this sector have decided to remain primarily because they still feel there is a demand for this type of investment. Abbey Life is still getting nearly £50,000 a day, compared with £100,000 pre-Budget.

These bonds have a straightforward objective: simply to provide investors with a high level of guaranteed income over the investment period and return the capital at the end of the period. Such an investment has appealed in the past to the more elderly investor seeking "secure income and capital in money terms."

The life companies operating in this field have endeavoured to design income bonds that are tax efficient for the investor, making use of the tax concessions available to life companies.

These bonds killed by the Budget made very efficient use of the tax relief available on regular savings schemes by an artificial combination of separate contracts.

Now the plans being marketed fall into two categories and should not incur the wrath of the Inland Revenue. One type is simply a single premium contract—so no tax relief—with guaranteed bonuses providing the income. The other type of plan still uses a regular savings plan, on which tax relief is given, combined with a temporary annuity.

The table shows the current yields available over three, four and five years—three years is now the shortest investment term available.

The rates now available are on a par with building society returns and slightly higher than local authority net yields. So why still market income bonds when the competitive edge has been lost?

The answer lies in the guarantee element. If interest rates fall, then the return on

GUARANTEED INCOME BONDS
Current pattern of returns
net of basic rate tax

Company	3 years	Yield %
Liberty Life	12	%
Target Life	11½	
Tyndall	10	
Building Society	11½	
Local Authority	11	

Company	4 years	Yield %
Abbey Life	12½-13½*	
Century Life	12	
General	11½	
Windsor Life	11½	
Schroder Life	11	
Building Society	12	
Local Authority	11	

Company	5 years	Yield %
Charnhouse Magna	12	
Liberty Life	12	
Lloyd's Life	12	
Pioneer Mutual	11½	
Cornhill	11½	
Building Society	12½	
Local Authority	10½	

Source: Planned Savings Rate Guide

building society term shares will also fall. But the guaranteed income bond yield remains unaltered.

The market is waiting for interest rates to come down from their historically high levels: the decline now being expected around June. When the picture becomes clearer, investors will be able to make a choice and the life companies have a bond readily available.

But investors would be well advised not to leave their decision too long. Life companies can only offer these rates while interest rates remain high. When they start to fall, the companies will have to readjust the terms in line with the new market conditions.

There is only a few days between rates changing and life companies altering the terms for new investors. Technically, the offer can be closed at a moment's notice.

If investors do believe that interest rates will start to fall, and that if Government policies are successful, these rates will remain at a lower level, then they should go for the longest term bonds available. But life companies find that many investors do like to tie up their money for too long a period.

The answer lies in the guarantee element. If interest rates fall, then the return on

"A futures market in equities"

Traded Options

offer the opportunity to buy or sell forward a position in certain blue chip equities over a 3, 6 or 9 month timescale.

Tax changes in the recent budget have opened the door for private investors and portfolio managers to participate actively and profitably in what may now become the fastest growing financial market in London.

Intelligent use of traded options—both for buyers and existing owners of specified equities—offers the prospect of exceptional returns on capital employed in selected blue chip companies.

Vickers da Costa have been leaders in this market since its inception. Why not enquire now to find out how Vickers da Costa can help you make use of the traded options market?

Write or telephone:

Geoffrey Chamberlain,
Vickers da Costa Ltd.,
Regis House,
King William Street,
London EC4 9AB.

Telephone: 01-623 2494
Telex: 886004

INVEST IN 50,000 BETTER TOMORROWS!

50,000 people in the United Kingdom suffer from progressively paralysing MULTIPLE SCLEROSIS—the cause and cure of which are still unknown—HELP US BRING THEM RELIEF AND HOPE.

We need your donation to enable us to continue our work for the CARE and WELFARE OF MULTIPLE SCLEROSIS sufferers and to continue our commitment to find the cause and cure of MULTIPLE SCLEROSIS through MEDICAL RESEARCH.

For help—Send a donation today to:
Room F1,
The Multiple Sclerosis Society of G.B. and N.I.
1 Münster Road
Fulham, London SW6 6BE

you are guaranteed a totally tax-free annual bonus. This can either be cashed in to give you income each year, or can be left to accrue in order to give you a tax-free and guaranteed capital growth at the end of five years of £1,770 for every £1,000 invested.

If you pay a higher rate of income tax, there will be some tax to pay on either the annual income or the growth, but you will still find the return to be very attractive. See Note 4 below.

Money back Guaranteed: At the end of the five year period, your original investment will be re-paid in full. If you have elected to accumulate your bonuses, you will receive £1,770 for every £1,000 invested.

In the event of your death during the five year period, your original investment plus any accrued bonuses not cashed will be paid to your estate. Providence Capitol:

Providence Capitol Life Assurance Company has gross assets exceeding £70,000,000 and is part of the £2,000,000,000 Gulf+Western Group.

arise until the Bond matures or is cashed in.

If you are over 65 years of age and qualify for Age Allowance, the amount of any bonuses paid out as income or accumulated at the end of the 5 year period, will be taken into account by the Inland Revenue to determine the amount (if any) of Age Allowance to which you are entitled.

5. This offer may be closed at any time, without notice, and cash received after the closing date will be returned.

6. This advertisement is based on our understanding of present law and Inland Revenue practice. This offer is only available to residents of the United Kingdom.

12.1%
TAX-FREE
GUARANTEED

Providence Capitol's Guaranteed Bonus Bond has been designed for people who need a high guaranteed income from their capital.

It offers an annual bonus of 12.1% net, which is equivalent to 17.3% gross for the basic rate taxpayer.

It is also very attractive to those who seek capital growth.

In either case the new Bonus Bond offers security, simplicity and very high guaranteed returns whatever your tax position. These returns do not rely on life assurance tax relief.

In addition, the Bond does not require you to have a fortune or to tie up money for a long time. The minimum investment is £1,000 and the investment period is 5 years.

Simplicity:

To invest, just complete the form below and send it to us with your cheque. We will acknowledge this and will send you your Bond document shortly afterwards.

Tax-free Income or Capital Growth:

If you are a basic rate taxpayer

Notes: The following notes provide details of the Guaranteed Bonus Bond.

1. The Bond is a single premium endowment assurance policy with a term of 5 years.

Guaranteed bonuses of 12.1% per annum are either paid out annually in the form of income or, if you have chosen the capital growth alternative, are credited to your investment.

2. Anyone over the age of 18 is eligible to invest in these Bonds. No evidence of health is required. The minimum investment is £1,000 and thereafter in multiples of £100.

3. Should you find it necessary to cash in your Bond before the 5 years are complete, the

amount payable is not guaranteed and will depend on investment conditions and the period for which the Bond has been held.

4. If you are a basic rate taxpayer no income tax or capital gains tax is payable. If you are subject to tax at a higher rate, or to the investment income surcharge, and you elect to take the bonuses as income, you will be liable to the extra tax when the bonus is paid (but not the basic rate tax) on that part of each bonus in excess of 5% of your investment at the time when the bonus is paid out, and separately on the balance of each bonus when the Bond is finally cashed or matures. If you choose the capital growth option the liability to higher rate tax will not

Providence Capitol Guaranteed Bonus Bond

To: Providence Capitol Life Assurance Company Limited, Bond Department, FREEPOST, London W12 8BR.

PROPOSAL FORM

I wish to invest
in the Guaranteed Bonus Bond.
(minimum £1,000 and multiples of £100 only)

I wish to take my bonuses as annual income
OR

I wish my bonuses to accumulate

Surname Mr/Mrs/Miss
(Block Capitals Please)

Forenames

Address

Date of Birth

I am a resident in the UK

Signature of
Applicant

Date

Registered in England No. 043621, Registered Office:
Providence House, 30 Uxbridge Road, Shepherds Bush,
London W12 0PC. Tel: 01-749 8111
A Gulf+Western Company

PROVIDENCE
CAPITOL

FT124

PENSIONS

ERIC SHORT

THE SELF-EMPLOYED were given a tremendous fillip in the Budget towards savings for their retirement—a boost long overdue since they will get nothing more than the basic pension from the State.

YOUR SAVINGS AND INVESTMENTS 2

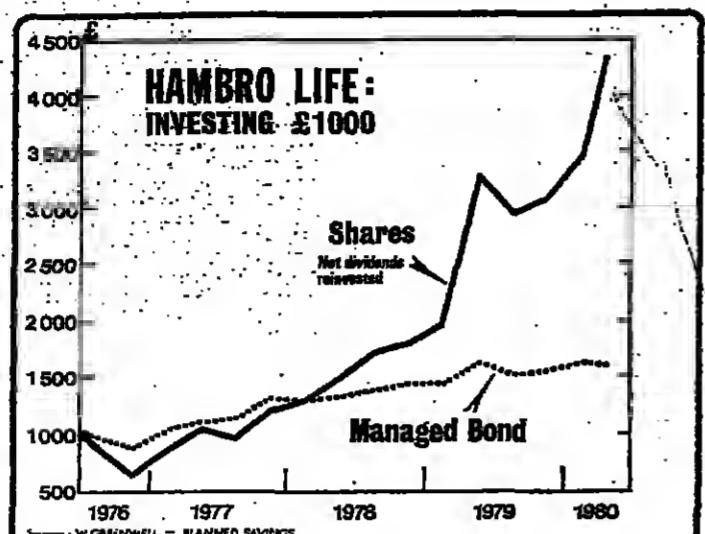
Eric Short looks at the success story of Hambro Life and what it means to savers

Where the shareholder beats the policyholder

IN MANY investment decisions the investor has the choice of investing in the shares of a particular company, or in its products. Often, it turns out that the products are a far better choice than the shares—distillery companies are very much a case in point.

Publicly quoted life companies offer this choice to investors. The investor can either invest in the shares, or in the savings plans offered by the company. Yet such comparisons are rarely if ever made by analysts. Hambro Life which reported record results yet again yesterday is very much a case in point. It has been one long success story since launched by Mr. Mark Weinberg in 1971.

The company went public in July 1976 and the graph shows how shareholders have performed compared with bondholders. It shows the value of £1,000 invested in shares when the company became public, with the net dividends re-invested, and the value of £1,000 invested in a Hambro Managed Bond.



The Hambro Managed Fund, £265.3m is the largest managed fund on the market. Up to the beginning of 1978, bondholders did better than shareholders—the share price conditions. The fund, valued at

lowing the company going public, but from 1978 the share price took off as the company realised its potential.

When one invests in a managed fund, one is investing in the investment expertise of the company. But more importantly, one is bound by the movements in the stock and property markets.

These have been dull over the past few years. In these funds, income is automatically reinvested, and as the graph shows, the performance follows a slow steady rise, with minor fluctuations.

But when one invests in the shares of a unit-linked life company, one is investing primarily in the marketing expertise and in the efficient running of the company, far more than in the investment expertise. Hambro Life, like all unit-linked companies, deducts a fixed 5 per cent charge at outset of money invested and the renewal charges are based on the value of the fund—now £1,000 to its current value of around £4,300. Meanwhile, the managed bond has plodded on steadily to £1,604.

These charges are made to meet the expenses of the company. The more new business that is written and the greater the efficiency of the company in keeping expenses under control, the greater the profit for shareholders.

Hambro Life has been expanding its new business at a phenomenal rate, benefiting from the reputation of its management and the general surge in unit-linked life business compared with conventional business. Last year, the company's new annual premiums rose by 32 per cent.

This case is the classic one of the higher risk giving the higher reward. And the rewards have been to the shareholder rather than the policyholder.

The delights of wheeling and dealing

I WAS NEVER really an avid cyclist, but two overpowering reasons forced me to acquire one. First, my wife told me that I was beginning to put on weight and needed more exercise. Then, during the one-day tube strike a few weeks ago, I could not find a taxi anywhere.

This was my chance. I walked into my local bike shop and purchased a three-speed roadster.

It seems, however, that my conversion to cycling was not unique. All around Britain, business executives and housewives alike are taking up cycling as never before.

According to the British Cycling Bureau, UK sales have doubled in the last ten years. In 1971 there were 752,000 bikes. Last year the number had risen to 1.45m. The bulk of the increase involved commuters. More and more, the prudent use of small investment in the good old cycle appears to be attracting Britons.

In the cycling fraternity, there is even a "legal aid" organisation to provide financial and other assistance to cyclists who get into trouble. The British Cycling Federation has 18,000 members and is funded by membership and Sports Council grants equally.

"We're rather like the AA of cycling," said Mr. Leonard Unwin of the Federation. Membership has been rising steadily for the past six years. He attributes the boom to environmental attitudes and the current costs of motoring.

The initial UK boom in cycling occurred just after the Second World War. Petrol shortages and low wages stimulated cycle transport. Cycling declined in the 1950s and 1960s as Britain became more affluent, but it picked up in the 1970s as hard times returned. Although last year's 1.4m cycles was a post-war record, some experts are now predicting sales of 2m in 1980.

There can be little doubt that the cycle investment is occurring throughout all walks of life. It is not just the humble journalist or enterprising stockbroker who is taking up the two-wheeler.

One of Britain's most avid cyclists is Lord Hallsham, the Lord Chancellor. Although a septuagenarian, his enthusiasm has not waned. Mr. Ian Maxwell, Principal Private Secretary to the Lord Chancellor, described his interest: "Lord Hallsham is indeed a very enthusiastic cyclist and carries a folding bike in the boot of his Maxi. He has been known to use it here and has even considered cycling between the Houses of Parliament and Number Ten for Cabinet meetings."

There are two main types of cycles which are available in the present market. The ten-speed derailler is a lightweight machine which is good for open country touring or for urban commuting. Around London it is generally priced at £100 and up. But for the novice, a more basic bike may be in order.

The economics of cycling seem to provide a convincing argument. As an investment, the average bicycle yields a rapid return to its financial backer. Most cycles, if used regularly in urban commuting, pay for themselves within three months.

Investment Intelligence has strong connections with Eurobond Holdings NV, a Eurobond investment company operating in Curacao. Since the abolition of exchange controls, more funds have been channelled into overseas investments.

This merger has highlighted the need for a modern financial planning company to be able to offer a complete service at least to the top market clients, covering the whole range of services.

Moving to the lower end of the market, Richards Longstaff this week launched its discretionary unit trust portfolio management service to complement its existing non-discretionary service. If an investor wants to get unit trusts, he needs a spread of holdings and to change those holdings with changing conditions.

Up to now, clients using the Richards Longstaff service have to give their approval before any switch in investment is made or any new holding acquired. Although this gives the investor some control over his portfolio it is time consuming and opportunities can be missed.

The majority of clients, accept the advice without question, so for them a discretionary service, where Richards Longstaff can complete freedom in handling the portfolio is little change from the present service.

But financial planning these days means far more than managing an equity and gilt portfolio. It means reviewing continuously the whole of the client's assets from the mortgage arrangements, to managing an estate. One of Investment Intelligence's subsidiaries, Intel Financial Services has linked up

(around £5), a lock (£3-£5), protective clothing (£5), comprehensive insurance (£7-£10) and trouser clips (£2p).

At the British Cycling Bureau, Miss Nicky McLaughlin advises potential cyclists to shop around.

"It is really like going to a tailor. You have to find the cycle that fits you," she said. She reckons that the average City executive can save between £6 and £7 per week with a bicycle. Maintenance should come to no more than 75p each week, but generally as low as £1 per month.

For the housewife or working mother she advises a "shopping bike." This is a 3-speed vehicle with two baskets (in front and back). The cost of such a bike is about £100. But she emphasises that there are approximately 1,200 different models of cycles on the UK market.

In the cycling fraternity, there is even a "legal aid" organisation to provide financial and other assistance to cyclists who get into trouble. The British Cycling Federation has 18,000 members and is funded by membership and Sports Council grants equally.

"We're rather like the AA of cycling," said Mr. Leonard Unwin of the Federation. Membership has been rising steadily for the past six years. He attributes the boom to environmental attitudes and the current costs of motoring.

The initial UK boom in cycling occurred just after the Second World War. Petrol shortages and low wages stimulated cycle transport. Cycling declined in the 1950s and 1960s as Britain became more affluent, but it picked up in the 1970s as hard times returned. Although last year's 1.4m cycles was a post-war record, some experts are now predicting sales of 2m in 1980.

There can be little doubt that the cycle investment is occurring throughout all walks of life. It is not just the humble journalist or enterprising stockbroker who is taking up the two-wheeler.

One of Britain's most avid cyclists is Lord Hallsham, the Lord Chancellor. Although a septuagenarian, his enthusiasm has not waned. Mr. Ian Maxwell, Principal Private Secretary to the Lord Chancellor, described his interest: "Lord Hallsham is indeed a very enthusiastic cyclist and carries a folding bike in the boot of his Maxi. He has been known to use it here and has even considered cycling between the Houses of Parliament and Number Ten for Cabinet meetings."

There are two main types of cycles which are available in the present market. The ten-speed derailler is a lightweight machine which is good for open country touring or for urban commuting. Around London it is generally priced at £100 and up. But for the novice, a more basic bike may be in order.

The economics of cycling seem to provide a convincing argument. As an investment, the average bicycle yields a rapid return to its financial backer. Most cycles, if used regularly in urban commuting, pay for themselves within three months.

Investment Intelligence has strong connections with Eurobond Holdings NV, a Eurobond investment company operating in Curacao. Since the abolition of exchange controls, more funds have been channelled into overseas investments.

This merger has highlighted the need for a modern financial planning company to be able to offer a complete service at least to the top market clients, covering the whole range of services.

Moving to the lower end of the market, Richards Longstaff this week launched its discretionary unit trust portfolio management service to complement its existing non-discretionary service.

If an investor wants to get unit trusts, he needs a spread of holdings and to change those holdings with changing conditions.

Up to now, clients using the Richards Longstaff service have to give their approval before any switch in investment is made or any new holding acquired. Although this gives the investor some control over his portfolio it is time consuming and opportunities can be missed.

The majority of clients, accept the advice without question, so for them a discretionary service, where Richards Longstaff can complete freedom in handling the portfolio is little change from the present service.

But financial planning these days means far more than managing an equity and gilt portfolio. It means reviewing continuously the whole of the client's assets from the mortgage arrangements, to managing an estate. One of Investment Intelligence's subsidiaries, Intel Financial Services has linked up

WORLD ELECTRONICS—STRATEGIES FOR SUCCESS

Monte Carlo—May 5, 6 & 7, 1980

... a conference arranged by the Financial Times and Mackintosh International in Monte Carlo—May 5, 6 and 7, 1980 to cover the following specific themes:

- * The resurgence of the European electronics industry and the success achieved in penetrating the U.S. market
- * The general challenge to U.S. domination in the industry and the growth of the electronics industry in the Middle East and Asia
- * The emergence of the Information Society and the impact of electronics on the consumer and the office environment

The international panel of speakers will include Dr. Friedrich Bauer, Executive Vice President, Siemens AG; Mrs. Marisa Cantoni Bellisario, President, Olivetti Corporation; Dr. Robert R. Heikes, Vice President International, National Semiconductor GmbH; Mr. J.P. Brulé, President and Director General, C.i.i. Honeywell Bull and Mr. Toshio Takai, Executive Vice President, Electronic Industries Association of Japan.

WORLD ELECTRONICS—STRATEGIES FOR SUCCESS

To: The Financial Times Limited, Conference Organisation, Minster House, Arthur Street, London EC4R 9AX.
Tel: 01-621 1355
Telex: 27347 FTCONF G.

Please send me full details of your conference on 'World Electronics'.

Name _____ Company _____

Address _____

Tel: _____

A FINANCIAL TIMES CONFERENCE



Individual Pension Plan rates reduced!

- Employees' pensions - rates reduced!
- Widows' pensions - rates reduced!
- Term assurance - rates reduced!

UK Provident's latest rate reduction for Individual Pension Plans means still better value for your money—a better pension for key employees and controlling directors and improved death-in-service cover for their families.

One of Britain's fastest growing mutual life offices—assets now exceed £400m.

These rate reductions and the recent increase in bonus to 5.50% p.a. make UK Provident's Individual Pension Plan a market leader. Details from your financial adviser or nearest UK Provident branch. Or FREEPOST the coupon.

UK Provident, Dolphin House, New Street, Salisbury SP1 2QQ, Wiltshire. Telephone: 0722 6242.

To: UK Provident, FREEPOST, Salisbury SP1 2VZ (no stamp required)

Please send me details of your Individual Pension Plan.

Name _____

Address _____

Name and address of your financial adviser _____

UK Provident

GOLF/TRAVEL

The battle of Georgia

BY BEN WRIGHT

SEVERIANO BALLESTEROS, the Open champion, David Graham, the U.S. PGA champion, and Jeff Mitchell, of whom you may not have heard, jointly lead with scores of 66, the U.S. Masters after one round over the Augusta National Golf course in Georgia. A more completely contrasting trio could hardly be imagined. Ballesteros, when he is not preoccupied in going round in 66, could clearly compile the century before lunch, hit a hot trick for Arsenal in the afternoon and devastate any known disco in the evening. Graham, on the other hand, should have been a brain surgeon. He diagnoses, computes and then carefully cuts the course to pieces. His is a rational form of the game, something of which Ballesteros is rarely accused. Mitchell, very much the third party, stands

GOLF

BEN WRIGHT

charged with fire and theft. His burning birdie finish stole the spotlight from his better-known co-leaders and confirmed for the doubters that his win in the Phoenix Open this year — his first on the tour — had substance. Mitchell is a bespectacled young man, adopts a flat monotone when speaking, and contrives to make his 66 sound dull.

There is the usual cluster of class players immediately behind the leaders. Jack Newton, who had six birdies in the first seven holes, could only finish with a four under par 68, on the same mark as Hubert Green, Tom Kite and Larry Nelson on 69.

Tom Kite and Larry Nelson are on 69. Gary Player and Graham Marsh on 71, together with the British Amateur Champion, Jay Sigel. The latter, like Newton, birdied the first three holes went four under at the fifth and there were hopes of an amateur leading the Masters. They were swiftly dispelled. Sigel took five of the short six and in the end finished only one shot ahead of probably the best amateur in the world, Bobby Clampett.

Clampett played with, in both senses of the phrase, Jack Nick-

GARDENING

ARTHUR HELLIER

problem of local high winds, and it was his nephew who solved this with the discovery that two tree species, with a tiny natural distribution on the coast of California, were able to survive the fiercest Atlantic gales. So he planted great shelter belts of *Pinus radiata* and *Cupressus macrocarpa* and as these grew so the range of exotic plants in the garden could be progressively extended.

Of the two *Cupressus macrocarpa* has proved to be the most lasting and a great many of the original trees, now over 100 years old, are still standing unmoved by the hurricanes, said to have produced gusts up to 140 mph, which swept the Scillys last December, although they uprooted many of the old trees of *Pinus radiata*.

It is of considerable interest to note that a systematic programme of tree surgery was still incomplete when these gales occurred and that it was the unpruned trees that suffered. Those that were still carrying dense heads, full of dead or dying growth, were knocked over like ninepins but where the wind could pass through the trees, being progressively slowed by their resistance but never entirely checked, there is only superficial branch damage.

He died in 1972 without having completely mastered the

It. It was the Open Champlooship at Lytham last year.

The other important and enduring reason why he is playing well is that he has at last taken his driving in hand. He spent the whole of the winter in Spain working out a way to lose 15 yards in length and at the same time acquire some accuracy. He has found it by "swinging more easy and more short" and the fact that he is prepared to lose that length shows that he is also acquiring maturity. He had seven birdies during his round none of them by getting up into the par five, although he felt with the wind in a different direction he would still be capable of reaching all of them.

Graham, ascribed his 66 to feeling comfortable. He likes playing in the wind but he likes even better the fact that he is now, as PGA Champion, exempt from qualifying for the Masters for the next five years. He said that previously all he had thought about in Augusta was playing well enough to qualify for an automatic invitation for the next year. That means coming in the top 24 but now he is able to concentrate on simply playing well enough to win. Remarkably, Graham had six birdies and no bogies and he, with Ballesteros, will be a definite threat for his second major title.

Mitchell had one of those rounds where, almost everywhere he laid his putter to the ball it went in. He said "It was almost like a dream. It was one of the best putting rounds I've ever had." That being the case he is unlikely to still be around on Sunday night but he is, nevertheless, one of that over growing band of American professionals who on their day, are capable of aoying.

Tom Weiskopf is also capable of anything. And the anything he perpetrated in the first round was a 13 at the 12th. He was three over par on the tee of this dangerous short hole — and 13 over par on the 10th tee.

He fired golfballs into Rao's

Creek which runs in front of

the green with the rapidity and lethal disregard of a Bofors gun.

Five times he did it altogether

and by the time he had finished

his nickname, "Terrible Tom"

had acquired another connotation.

He finished with an 85 having taken 47 over the back

But it is unlikely that he will abandon Europe. He gets lonely in America and given that he is currently asking for, and often getting around £10,000 appearance money per tournament, there is little incentive to change bases. If he is desperately keen to win major championships, he spent a week in Augusta preparing for the Masters, and the only occasion he has ever devoted that much time prior to an even, he won

the 17th and 18th holes.

Lincolnshire, where glass-houses were required to produce the early flowers but cheaper transport compensated for this increased expense. Competition became fierce and at times there was overproduction, but the island growers always managed to survive.

They flowered freely and early and Dorrion Smith conceived the idea of multiplying them and marketing them as cut flowers. He sought the advice of the greatest daffodil expert of the day, Peter Barr, who was already launched on a breeding programme that was to change quite a modest flower into a very varied and magnificent one.

Mr. Barr visited the islands many times, the venture proved completely successful and soon daffodil growing spread to all the islands and became a major source of income to the islanders. Many new varieties were tried and some, such as Princes and Golden Spur, in the early days and Golden Harvest, Carlton and Fortune later, on proved highly successful. Yet throughout all these innovations, the two original varieties, now known as Soleil d'Or and Soleil White, continued to be immensely important, and this is true of Soleil d'Or even to the present day. There is no other early flowering, multi-flowered narcissus to rival its sunny orange and yellow colour and productivity and the equable temperatures of the Isles of Scilly suit it perfectly.

From these distant islands comes the daffodil cultivation passed to Cornwall and then on to Lincolnshire, where glass-houses were required to produce the early flowers but cheaper transport compensated for this increased expense. Competition became fierce and at times there was overproduction, but the island growers always managed to survive.

They flowered freely and early

and Dorrion Smith conceived the idea of multiplying them and marketing them as cut flowers.

He sought the advice of the greatest daffodil expert of the day, Peter Barr, who was already

launched on a breeding programme that was to change quite a modest flower into a very

varied and magnificent one.

Mr. Barr visited the islands many times, the venture proved

completely successful and soon

daffodil growing spread to all

the islands and became a major

source of income to the islanders.

Many new varieties were tried

and some, such as Princes and

Golden Spur, in the early days

and Golden Harvest, Carlton and

Fortune later, on proved highly

successful. Yet throughout all

these innovations, the two original

varieties, now known as Soleil d'Or and Soleil White,

continued to be immensely

important, and this is true of

Soleil d'Or even to the present

day. There is no other early

flowering, multi-flowered

narcissus to rival its sunny orange

and yellow colour and productivity

and the equable temperatures

of the Isles of Scilly suit it perfectly.

From these distant islands

comes the daffodil cultivation

passed to Cornwall and then on

to Lincolnshire, where glass-

houses were required to produce

the early flowers but cheaper

transport compensated for this

increased expense. Competition

became fierce and at times there

was overproduction, but the island

growers always managed to

survive.

They flowered freely and early

and Dorrion Smith conceived the

idea of multiplying them and mar-

keteting them as cut flowers.

He sought the advice of the

greatest daffodil expert of the

day, Peter Barr, who was already

launched on a breeding programme

that was to change quite a

modest flower into a very

varied and magnificent one.

Mr. Barr visited the islands many times, the venture proved

completely successful and soon

daffodil growing spread to all

the islands and became a major

source of income to the islanders.

Many new varieties were tried

and some, such as Princes and

Golden Spur, in the early days

and Golden Harvest, Carlton and

Fortune later, on proved highly

successful. Yet throughout all

these innovations, the two original

varieties, now known as Soleil d'Or and Soleil White,

continued to be immensely

important, and this is true of

Soleil d'Or even to the present

day. There is no other early

flowering, multi-flowered

narcissus to rival its sunny orange

and yellow colour and productivity

and the equable temperatures

of the Isles of Scilly suit it perfectly.

From these distant islands

comes the daffodil cultivation

passed to Cornwall and then on

to Lincolnshire, where glass-

houses were required to produce

the early flowers but cheaper

transport compensated for this

increased expense. Competition

became fierce and at times there

was overproduction, but the island

growers always managed to

survive.

They flowered freely and early

and Dorrion Smith conceived the

idea of multiplying them and mar-

keteting them as cut flowers.

He sought the advice of the

greatest daffodil expert of the

day, Peter Barr, who was already

launched on a breeding programme

that was to change quite a

modest flower into a very

varied and magnificent one.

Mr. Barr visited the islands many times, the venture proved

completely successful and soon

daffodil growing spread to all

the islands and became a major

source of income to the islanders.

Many new varieties were tried

and some, such as Princes and

Golden Spur, in the early days

and Golden Harvest, Carlton and

Fortune later, on proved highly

successful. Yet throughout all

these innovations, the two original

varieties, now known as Soleil d'Or and Soleil White,

continued to be immensely

important, and this is true of

Soleil d'Or even to the present

day. There is no other early

flowering, multi-flowered

narcissus to rival its sunny orange

and yellow colour and productivity

and the equable temperatures

of the

PROPERTY

Minding your own little business

WITH THE VAT registration level raised to £13,000, and the Budget promoting tax concessions for small businesses like there was no tomorrow, naturally the specialist business agencies are reporting considerable interest in what they already refer to as "an attractive area of investment."

Yet buying a residential property with business use has always contained an element of risk, anyway as far as the building societies are concerned, and would-be entrepreneurs need to consider carefully before trading in security for the sometimes nebulous delights of being one's own boss.

—And as Mr. Philip Gwyn and Co., chairman of Christie and Co., with 10 offices covering the country, commented: "The Budget was a good one for the smaller business, not because it

made them any more profitable, but because it has allowed easier entry for certain sections of the community."

Philip Gwyn also points out that factors bearing on the licensed and retail trades in terms of value, are similar and closely linked to the sales of houses. "Most first-time buyers begin the cycle by the purchase of a small business funded in part by the sale of a house. House prices are, therefore, of key importance. The level of wages and salaries affect both trade itself and the capacity to purchase businesses."

The reliefs against capital gains tax for those letting accommodation in their own homes sounds fine on paper, but the whole question of landlord-tenant relation is an emotive one; so much ill-will has been generated over the 1974 Rent Act that it will take

a lot of good will on both sides to smooth over the cracks even when proposed legislation eases the security of tenancy question.

The hazards of holiday letting have always been less, though, and good-quality, well-equipped and furnished units are always in demand.

A reminder that the market is traditionally strong in furnished properties north of

Birmingham comes from Kaya of Blackpool, family firm of business specialists for some 25 years or so. Currently on offer in Blackpool and Fylde are various substantially-furnished properties which can be used for home and investment, and can be run single-handed, if one of a couple intends to continue with their own occupation.

Most of the letting units, which are for holiday and/or permanent use, are separately metered with their own cookers, refrigerators, water heaters, etc.

For a free property brochure contact: Mr. Simpson, Kaya, 225-235 Church Street, Blackpool, Tel: 0253 234865, open Monday to Friday 9.00 am-5.30 pm, Saturday 9.00 am-4.00 pm, and 12 noon-4.00 pm Sundays, or send 50p for a copy of *Mind Your Own Business*, written by the firm's founder H. J. W. Kay, an easy-to-read booklet for first-time business buyers.

You can take your pick from rest-homes and guest houses, fashion and furniture stores, fish-and-chip, takeaways, butchers and bakers, drug stores, drycleaners and disco, all with accommodation, some in the £12,000 bracket (on a lease), to an average £25,000 to £50,000 for a freehold corner shop, with some £80,000 upwards required for hotels deep in the Scottish or Yorkshire countryside.

What about finance? Kaya will help with assessing whether the profits of a business will meet mortgage repayments and other expenses to safeguard against being over-committed.

As a branch office of the Liverpool Building Society, and with contacts with several merchant banks, they say that under

normal circumstances when the purchase of the property and business together is being considered, then between 30 and 50 per cent of the price has to be provided by the purchaser. Where the business only is being bought, and the property is rented, then between 50 and 65 per cent of the price has to be provided by the purchaser.

These are approximate guides only of course, and the personal circumstances of the buyer can affect the amount of the mortgage available. There are cases where the purchaser intends to continue his employment. This extra income in addition to the profits of the business can sometimes increase the amount of mortgage available, thereby reducing the amount of capital which has to be found. In other cases, an additional loan can sometimes be arranged to cover the cost of the stock.

The two main factors governing the amount of mortgage available in a particular case says Mr. Simpson, is the surveyor's valuation of the property, and the total amount of income available.

"We never like to discourage an enthusiastic person from going into business. But we would prefer them not to risk hard-earned savings on a venture that is obviously beyond their means, so we advise them to acquire as much capital as possible."

Period village sub-post offices are popular, and change hands quickly. Christie's sold £750,000-worth last year, as prices from £36,000 upwards. For the work

you get a salary from the GPO, ranging from about £1,600 to £10,000 a year, with £4,500 probably the average.

Christie's Canterbury office, 57 Castle Street, recently offered an old-established post office, newsagents, gifts and craft shop in a West Kent village for £83,000 freehold, with a £4,000 pa salary. For addresses of Christie's 10 offices plus a free copy of their business review, contact Mr. Phillip Gwyn, Christie and Co., 32 Baker Street, London, W1. (01-460 3413), or send £1 for their

booklet, *Thinking of Buying a Business*.

Wessex Business Brokers, who specialise in sub-post

offices, 23 Halsbury Road, Westbury Park, Bristol, (0272 714438); or try a bed and breakfast business in Falmouth for £28,500 through Miller and Co., 3 Church Street, Falmouth (0326 312508).

While in Osborne Road, St Just the same agents' offices in 75 Market Jew Street, Penzance (0736 5549), are offering a tiny end-of-terrace cottage formerly used as a shop, for £11,950. And in the Isle of Scilly, Lundy and Son, 71 Market Jew Street, Penzance (0736 4260), are selling a 6-bedroom home with direct access to the beach, previously successfully run as a guest house, for £50,000 freehold.

BY JUNE FIELD



Part of The Manor House Estate, Haslemere, Surrey, in 27 acres, which is due to go to auction on Wednesday, has been split into 12 lots to realise its optimum value. The price guide for the whole is £350,000. Details: P. A. Ormerod, Messenger Ney Baverstock, 4 Castle Street, Farnham (0252 714164), and G. E. D. T. Tremlett, 20 High Street, Haslemere (0428 2307).

SAVILLS

DUMFRIESSHIRE 1971 ACRES

Dumfries 12 miles Carlisle 42 miles

THE GILCHRISTLAND ESTATE

Exceptional in hand farming estate with modern mansion house well known for its spectacular and diverse shoots. Gilchristland House: 4 reception rooms, 6 bedrooms, 2 dressing rooms, 3 bathrooms and shower room. Estate Office: 2 Farmhouses, 5 cottages and 2 ranges of modern farm buildings.

483 ACRES OF PLOUGHABLE 248 ACRES GRASSLAND 834 ACRES HILL LAND 359 ACRES OF COMMERCIAL AND AMENITY WOODLAND. TWO STOCKED LAKES.

JOHN SALE AND PARTNERS 83-85 Friars Vennel, Dumfries, Tel: (0387) 63939, SAVILLS, Wessex House, Wimborne, Dorset, Tel: (0202) 887331.

01-499 8644 20, Grosvenor Hill, London W1X 0HQ

SOUTH EAST DORSET 968 ACRES

Bournemouth Town Centre 5 miles

PART OF THE CANFORD ESTATE

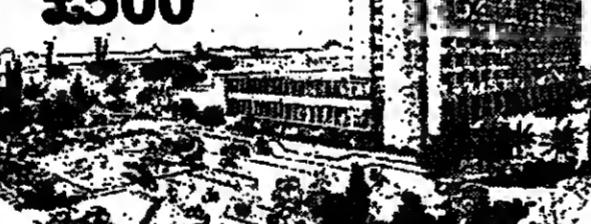
Close to existing residential development at Kinson, Longham, Ferndown and West Parley. Valuable Investment Farm and Land. Annual Rent Receivable £19,283.

FOR SALE BY TENDER 16th JUNE 1980 (unless previously sold by Private Treaty).

AS A WHOLE OR IN 10 LOTS

SAVILLS London Office, Tel: 01-499 8644.

OWN YOUR OWN LUXURY BEACHSIDE APARTMENT IN TEL AVIV FROM ONLY £500



Israel - climate, history and lifestyle. Enjoy it all by owning your own luxury apartment in Tel Aviv's superb Mandarin Apartment Hotel.

Set on the beach in Tel Aviv's exclusive resort area, apartments at The Mandarin are for sale on a Time Ownership basis.

Simply buy the weeks each year that suit you best.

The cost, a fraction of the usual purchase price.

Yours for holidays, to let, sell, bequeath or exchange for resorts worldwide.

All apartments are fully furnished and managed, so no worries about upkeep. And you protect yourself against rising holiday costs and acquire a sound asset.



Call us now for full details.

Tel: 01-491 3270

Time Marketing Limited

243 Regent Street, London W1.

An RCI member

RCI

Resorts in Spain & Florida also available

MAYS LEADING RENTAL SPECIALISTS

If you wish to rent your home, we'll be happy to help.

OXSHOTT 3811 COBHAM 4351 ESHER 66614

WIMBLEDON 946/6282 CHOBHAM 7508

WOKING 73468 WEYBRIDGE 46277 GODALMING 28989

EPSOM 26541 ASCOT 25228 TELEX: 895512

wates build with care

WATES

BEAUTIFUL UNSPOILT WEST COAST OF FLORIDA

Best sailing development on the Caloosahatchee River, with 75-acre Marina, Golf Course, Tennis Complex, Swimming Pools, Club House with Gourmet Restaurant. Excellent rental potential.

MORTGAGE AT 11% INTEREST

3- and 3-bedroom Townhouses just completed at \$134,000. Apartments for delivery next spring from \$75,000.

For MONTPELIER INTERNATIONAL PROPERTIES

17 Montpelier Street, London, SW7. Tel: 01-569 3400.

Marbella, Spain: 01-666 0000. Tel: 01-666 0000.

Places and details on:

South of France Spain Switzerland Portugal

Name _____

Address _____

Montpelier International Properties

HENRY SMITH & SON

CHARTED SURVEYORS 50 Carfax, Horsham, Tel: 0372 111218P

MACKINDER FARM, MARDEN, KENT

1/2-mile from Village and M.L. Station. 7 miles London.

Excellent residential and agricultural land.

Fruit and Arable Farm Land, 200 acres, 2 houses, 2 bldgs, 2 bth, 3 rec, Kit. Residential Garden with Swimming Pool.

Land, 200 acres, 2 houses, 2 bldgs, 2 bth, 3 rec, Kit. Residential Garden with Swimming Pool.

Land, 200 acres, 2 houses, 2 bldgs, 2 bth, 3 rec, Kit. Residential Garden with Swimming Pool.

Land, 200 acres, 2 houses, 2 bldgs, 2 bth, 3 rec, Kit. Residential Garden with Swimming Pool.

Land, 200 acres, 2 houses, 2 bldgs, 2 bth, 3 rec, Kit. Residential Garden with Swimming Pool.

Land, 200 acres, 2 houses, 2 bldgs, 2 bth, 3 rec, Kit. Residential Garden with Swimming Pool.

Land, 200 acres, 2 houses, 2 bldgs, 2 bth, 3 rec, Kit. Residential Garden with Swimming Pool.

Land, 200 acres, 2 houses, 2 bldgs, 2 bth, 3 rec, Kit. Residential Garden with Swimming Pool.

Land, 200 acres, 2 houses, 2 bldgs, 2 bth, 3 rec, Kit. Residential Garden with Swimming Pool.

Land, 200 acres, 2 houses, 2 bldgs, 2 bth, 3 rec, Kit. Residential Garden with Swimming Pool.

Land, 200 acres, 2 houses, 2 bldgs, 2 bth, 3 rec, Kit. Residential Garden with Swimming Pool.

Land, 200 acres, 2 houses, 2 bldgs, 2 bth, 3 rec, Kit. Residential Garden with Swimming Pool.

Land, 200 acres, 2 houses, 2 bldgs, 2 bth, 3 rec, Kit. Residential Garden with Swimming Pool.

Land, 200 acres, 2 houses, 2 bldgs, 2 bth, 3 rec, Kit. Residential Garden with Swimming Pool.

Land, 200 acres, 2 houses, 2 bldgs, 2 bth, 3 rec, Kit. Residential Garden with Swimming Pool.

Land, 200 acres, 2 houses, 2 bldgs, 2 bth, 3 rec, Kit. Residential Garden with Swimming Pool.

Land, 200 acres, 2 houses, 2 bldgs, 2 bth, 3 rec, Kit. Residential Garden with Swimming Pool.

Land, 200 acres, 2 houses, 2 bldgs, 2 bth, 3 rec, Kit. Residential Garden with Swimming Pool.

Land, 200 acres, 2 houses, 2 bldgs, 2 bth, 3 rec, Kit. Residential Garden with Swimming Pool.

Land, 200 acres, 2 houses, 2 bldgs, 2 bth, 3 rec, Kit. Residential Garden with Swimming Pool.

Land, 200 acres, 2 houses, 2 bldgs, 2 bth, 3 rec, Kit. Residential Garden with Swimming Pool.

Land, 200 acres, 2 houses, 2 bldgs, 2 bth, 3 rec, Kit. Residential Garden with Swimming Pool.

Land, 200 acres, 2 houses, 2 bldgs, 2 bth, 3 rec, Kit. Residential Garden with Swimming Pool.

Land, 200 acres, 2 houses, 2 bldgs, 2 bth, 3 rec, Kit. Residential Garden with Swimming Pool.

Land, 200 acres, 2 houses, 2 bldgs, 2 bth, 3 rec, Kit. Residential Garden with Swimming Pool.

Land, 200 acres, 2 houses, 2 bldgs, 2 bth, 3 rec, Kit. Residential Garden with Swimming Pool.

Land, 200 acres, 2 houses, 2 bldgs, 2 bth, 3 rec, Kit. Residential Garden with Swimming Pool.

Land, 200 acres, 2 houses, 2 bldgs, 2 bth, 3 rec, Kit. Residential Garden with Swimming Pool.

Land, 200 acres, 2 houses, 2 bldgs, 2 bth, 3 rec, Kit. Residential Garden with Swimming Pool.

Land, 200 acres, 2 houses, 2 bldgs, 2 bth, 3 rec, Kit. Residential Garden with Swimming Pool.

Land, 200 acres, 2 houses, 2 bldgs, 2 bth, 3 rec, Kit. Residential Garden with Swimming Pool.

AYLESFORD

FIRST TIME EVER ON THE MARKET



NORTHWAYS

SELECTION OF TOTALLY REFURBISHED FAMILY SIZED APARTMENTS SITUATED IN MODERNISED BUILDING JUST NORTH OF REGENT'S PARK.

- New fully equipped kitchens and bathrooms
- Fully modernised, wall-to-wall carpets
- 120-year leases and low ground rents
- Constant hot water and central heating
- Uniformed porters
- Local late night shopping and transport facilities
- Personalised financing and immediate possession

OPEN 7 DAYS...A WEEK
Sat. & Sun. 12 am-8 pm
Mon-Fri. 11 am-7 pm
NORTHWAYS SALES OFFICE
College Crescent, Swiss Cottage,
London, NW3
Phone: 01-722 2806

MAGNIFICENT
SITIO DE CALAHONDA

Luxury villas and apartments
from £16,000 to £80,000
One of the finest locations in Marbella. All amenities, including
tennis, horse-riding, sailing, swimming, close beach and golf.
Regular weekly inspection flights. Call us now.
CALAHONDA DEVELOPMENTS
2 Boscombe House, High Street, Crewley, Sussex
RH10 1OE. Tel: (0293) 542211-2

Jackson-Stops & Staff

14 CURZON STREET LONDON W1 01-499-6291

WEST DORSET
Borthwick 11 miles. Yeo 17 miles. Bridport 3 miles.
227 ACRES
FINE COUNTRY LAND & BRASSLAND FARM
Colemoor Farm, Toller Porch, Borthwick
Acre and Pasture Land + Spurding over 58 acres of jointly-owned
Lot 1-164 Acres: Medium Sunsglow Residence, Medium Buildings
Woodland and Pasture Land + Spurding over 58 acres of jointly-owned
Lot 2-125 Acres: Block of Arable and Pasture Land with Buildings
Lot 3-39 Acres: Pasture
Private. Vacant Possession.
AUCTION AT A Whole or In 3 Lots (unless previously sold). May 14,
1980.
Solicitors: Stretton & Co., Church House, Yeovil. Tel: (0935) 23985.
Auctioneers: 30 Hendford, Yeovil, BA20 1UA (Ref. 3/8). Tel: (0935) 4086

WOODLAND

EXCELLENT INVESTMENT

45 ACRES

Commercial Conifers

NEAR ASHFORD, KENT

Ideal for Private Investor

Offers in excess of £25,000

TWO EXCELLENT
DEDICATED
WOODLANDSLot 1 Glengarry,
Inverness-shire

331 Acres

Lot 2 Near Dumfries

64 Acres

All planted since 1974 and
subject to 50s II Codicature
Schemes.For sale privately by Vacant
Possession.

Joint Agents:

Economic Forestry Group,

27 Rudland Square,

Edinburgh EH2 2BW.

Tel: 031-229 5455.

BIDWELLS

charted surveyors

Tunbridge Wells Canterbury CT2 2LB

Telephone Canterbury 0223 4041

SWITZERLAND

REAL ESTATE

LIFETIME OPPORTUNITY

FOR FOREIGNERS

Lake Geneva

near Lausanne — in Montreux, top

quality spacious apartments, one to

four bedrooms, ideal for long-term

investment.

Excellent locations, one to four room

apartments, swimming pool and

central heating.

Conveniently situated in beautiful sunny

Cote d'Azur.

Very reasonably priced, mortgages up to

75% available.

Buy, Now... Direct

For information contact:

Mr. Max-Neid 24.

1005 Zürich, Switzerland.

Tel: 021-22 25 55.

Telex 25 185 MELIS CH

EUROTEL

EURO

BOOKS

How to collect

BY C. P. SNOW

Out of This Century
by Peggy Guggenheim.
Andre Deutsch, £7.95. 396 pages

Peggy Guggenheim died a few months ago, at the age of 81. Her worst enemies could not have said that she had an uneventful life. In one of her few attempts to understand herself she decided that her life had been too crammed with events for her to learn anything at all. This book, which is actually a revised version of two autobiographical works long out of print, tells a good deal about the events, but the reader has to make his own guesses about what she was really like. The exercise has its own interest if you possess a robust taste for human vagary.

Peggy Guggenheim was born just before the turn of the century in a rich German Jewish enclave in New York. Her father was a Guggenheim, her mother a Seligman. The Guggenheims were immediately rich, but with more social standing. That social standing, though, did not save Peggy as a girl from the humiliations of being a Jew in early twentieth century America. At least once she was required to leave a New England hotel.

That promoted the growth of one of the shoulder chips of which she had a whole crest. Another was that she was not genuinely rich though living among the rich. Her father had cut himself off from the family business and moved to Paris, where he lost a considerable fortune. Then he went down with the Titanic, he and his secretary having put on evening dress in order to die

like gentlemen. It was a gesture, like some of his daughter's later antics, at the same time gallant and absurd. How many gentlemen have found it necessary to die in white tie and tails?

His business affairs were a shambles. Peggy's mother was never anything but well-to-do, but she and her daughters were left with about half-a-million dollars each, shabby genteel by Guggenheim standards. Gradually, as relatives died, Peggy became more wealthy. She was always generous with what she had, but for half her life, and the more frenetic half, she was nothing like as rich as others thought.

A much more unsophisticated wound was that she felt she was ugly. In photographs she does not appear so. She may have lacked sexual drawing power, but that was more a matter of temperament than of the flesh. She was too much on the prowl, on the sexual grab, to hold men for long. That was natural enough for a girl so lacking in essential confidence. She got hold—the initiative in all cases being hers—of several husbands, legal and otherwise, and many other men. They all became restless, and usually did not waste time in getting away.

She never has been a bad judge of human beings, women as well as men, and an even worse picker of sexual partners. She seems to have had an unfriendly instinct for the touchy and unavailing, which was exactly what she did not want. It would have required a man abnormally patient and secure within himself to cope with her. She had antennae of feeling, and said whatever came into her head, particularly when it

was hurtful. Her capacity to irritate was extremely high. She could afford but it did not last for long, and then the trouble began.

Her accounts of marriages and love affairs are punctuated by the simple word "row," occasionally by the slightly more eloquent "dreadful row." That usually meant that some infuriated man had (literally) thrown her across the room or down the stairs. The level of violence, often of alcoholic violence, was remarkably sustained.

It didn't help that, for the part of her life when she needed most, she was paying for them. Her unavailing partners were usually incapable of earning a living. They were writers who couldn't bring themselves to write, or painters who couldn't bring themselves to paint. She was always ready, open-handedly but perhaps not over-tactfully, to provide for them, their children by other women, their ex-wives or present wives and mistresses. Even the one she adored most, John Holmes, who was a man of intellect and substance, suffered from creative paralysis. He ought to have been, at the very least, a leading critic. Unfortunately he couldn't face the ordeal of writing a word. (He figures in several novels of the early 1930s, and is always written about with admiration.)

It was much better for Peggy when, largely by chance, she became a collector of pictures.

She was getting on for 40, had more money, and rapidly met people who thought they were prepared to encourage a patron. Didn't really need one. Whatever defects men such as Kandinsky, Mondrian, Arp, Brancusi had, they were not unavailing.



The author's bedhead, wrought in silver by Henry Calder.

Peggy married Max Ernst. That marriage followed her usual fated course, but he and eye, there isn't much information. However, she was very proud of her collection in Venice, and properly so. She was also very proud of being one of the few foreign residents in Venice who might leave a mark upon the city, along with Byron, Browning and (improbably) Henri Regnier. She gained a new dignity as she grew old. It is pleasant to think that that frank nature found some satisfaction in the end.

Inside dealing

BY ROBIN LANE FOX

The Gnostic Gospels
by Elaine Pagels.
Wiedenfeld & Nicolson.
£7.95. 182 pages

The four Gospels in our Bibles are not the only Gospels about Jesus. This is not a secret. Gospels of Thomas and Truth have long been known and since the 1950s, they have been joined by Gospels of Philip and Mary and secret Books of James. Their number rose with the remarkable find of a jar filled with written papyrus books in post-war Upper Egypt. Not until 1977 were these famous discoveries published in English. Their texts are generally called Gnostic: what does this mean and why do we trust our four Gospels, not these? Prof. Elaine Pagels of Columbia University, New York, sets out to inform the general reader.

The Gnostic specialised in insider dealing on the heavenly Exchange of the second century AD. He had "gnosis" or special knowledge, which claimed to derive from secret insights and usually made him contemptuous of other small-time Christian investors.

He knew where he had come from and where he was going. He was as scornful of the everyday world as a 1960s drop-out. He had his own special hooks on Christian dealing, written by eloquent masters who had read Greek philosophy and psychology at a red-brick University in Egypt and Syria, and fancied themselves as authors of genius. He was right and others were wrong. His sort of Christian truth was not always clear. Parts of John's Gospel are probably as speculative as the early views of the ablest Gnostic Valentius. But if Christianity is to have itself as it is, as it must on history, the Churchmen were quite right to see the Gnostics off. Miss Pagels, incidentally, takes a poorer view of the dating and authority of our Gospels than I would. She is too favourable to the notion that themes of the Gnostic texts may have existed before the New Testament was written. In my view, they traded on its existence. On one main point I think she is right and on two others, misleading.

Miss Pagels writes clearly and keenly about what she calls "a powerful alternative to Orthodox Christian tradition." Aiming at a wide public, she re-tells the story of the Egyptian discoveries and presumes no knowledge in her readers. She does not say anything very new about the line which the texts pursue. It is a measure of Christian Gnosticism that its main lines have already been summed up in 20 pages by the late A. D. Nock: Britain's greatest scholar of religion, before the Egyptian texts were made available. These texts add a few more fancies and will usefully divert their large research teams on hunts for parallels in Indian and Persian literature. Miss Pagels, however, asks a different question: why did these gnostic Christian authors draw such heated

attacks from late second century Christians? She suggests that the belief in one God was a major support to the existence of one bishop. Perhaps some Gnostics did indeed have such secret powers of foresight that he knew his texts were best hidden and kept unpublished, until Americans were ready to take them seriously. Gnostics were uncommonly at home on the West Coast campuses of the late 1960s. Most probably, these new texts were the private library of a mid-ninth century monk. For just down the road from their burial, a fourth century monastery has been located.

Many of the first monks, it seems, arrived on the doorstep with the oddest religious texts and kept them until the order was tightened. Among the basket weaving and beds of reeds, these monks read books about bisexual Gods until it was time for lights-out. That we never knew before, but it is not the point Miss Pagels finds most

Professor Elaine Pagels

occurred very seldom only as an expressive metaphor. For proof that Gnostics allowed women to priests, she relies on an enemy's slander. The case is not so obvious. The Gnostics' female theology led most often to a far from feminist view of women.

We do not need Gnostics to make us wonder why women were excluded from the priesthood or bishops allowed to be married. For him, the bishops were not the definitive source of truth. The martyrs were mostly practising suicide. A lone man's continuing visions of Jesus were as valid as the old Gospel Women, above all, had a high place in the Gnostic circles.

I am not convinced by any of the links which she finds between Gnostic theology and "politics." The old view is correct. Gnostics were hated because they claimed authority for absurd "secret" ideas, not one of which bore any relation to the historical Jesus. Of course, the dividing lines are not always clear. Parts of John's Gospel are probably as speculative as the early views of the ablest Gnostic Valentius. But if Christianity is to have itself as it is, as it must on history, the Churchmen were quite right to see the Gnostics off. Miss Pagels, incidentally, takes a poorer view of the dating and authority of our Gospels than I would. She is too favourable to the notion that themes of the Gnostic texts may have existed before the New Testament was written. In my view, they traded on its existence. On one main point I think she is right and on two others, misleading.

She writes as if the Gnostic texts were challenging the orthodox claim that their Church descended from the Apostles. In fact, this claim was only worked up against the secret "tradition" of Gnostic teachers themselves. She suggests that the belief in one God was a major support to the existence of one bishop. It is important

Going Chinese

BY COLINA McDougall

Black Country Girl in Red
China
by Esther Cheo Ying.
Hutchinson, £5.95. xxx pages

Revolution: There and Back
by Jan Bredsdorff. Faber & Faber, £8.95. xxx pages

Books by outsiders who have visited China are a recognisable genre, but Esther Cheo Ying's does not belong to it. She went not as a foreigner seeing communist and factory through rose-coloured spectacles, but as a Chinese. She joined the People's Liberation Army, she had a Chinese boyfriend who was a senior officer (Man himself said she was pretty) and what she saw she records with gusto and minimal political comment.

Esther was in fact only half Chinese, brought up mainly in the English Midlands as an evacuee from wartime London. At 16 she married one of Chiang Kai-shek's officers and they decided to return to China. When he changed his mind in Hong Kong, she went alone. The Chinese put her in the army where she met an illuminating cross-section of revolutionaries including the boyfriend.

Life became more formal as the country settled down and she left the army to work for the New China News Agency and then for Peking Radio. She saw much less of her lover, who had a wife and family in the north-east. She records the growing surge of opinion set off by Mao's marriage to the young starlet Jiang Qing against leaders who dropped their middle-aged wives in favour of younger, prettier ones.

As the bureaucracy took shape, barriers and suspicion grew up. In the early days, she went to parties in the foreign office. Once, slipping out into the nearest quiet room to telephone, she found herself face to face with a courteous but

total revolution in its true perspective.

He gives an interesting picture of life as a foreigner employed by the Chinese, even though he is really more concerned with his own disillusion. Esther, on the other hand, who had much to be disillusioned about (dreadful mother, disappointing father, and growing isolation) writes through her account like the good story it is, producing one of the most interesting and entertaining books on China to appear for a long time.

CLASSIFIED ADVERTISEMENT RATES

	Single line per column cm ²
Commercial and Industrial Property	5.00 19.50
Residential Property	3.50 12.50
Appointments	5.00 19.50
Business & Investment	
Particulars	
Corporation Loans	
Production Capacity	
Businesses for Sale/Wanted	7.00 23.00
Particulars	
Gardening	4.00 17.00
Motor Cars	3.50 14.00
Houses & Travel	4.00 18.00
Concerts & Tickets	2.00 10.00
Book Publishers	
Premises positions available	
(Minimum size 30 column cm ²)	
£2.00 per single column cm ² extra	
For further details write to: Classified Advertisement Manager, Financial Times, 10, Cannon Street, EC4P 4BY	

War Stories That Bring It All Back

Jon Cleary

A VERY PRIVATE WAR

In 1942 there were better places for an American like Con Mullan to be than the Solomon Islands right in the line of the Japanese advance—particularly when you are not prepared to forget what the Tokyo secret police did to your Japanese wife.

£5.50

Jack Watson

SEEK AND DESTROY

A nuclear warhead has been installed by ZANLA guerrillas somewhere in Mozambique. Major Mike Connors is given the job of eliminating it.

£5.95

Collins

INVESTMENT TRUST YEAR BOOK 1980

NEW
edition,
SPECIAL
price.

The Year Book, now in its third edition, has been widely recognised as the most authoritative source of information on investment trusts. It is the essential reference book for individual investors, stockbrokers, bankers, solicitors, accountants, insurance and pension consultants and many other financial advisers.

Trust Details

Some 200 investment trusts manage assets worth more than £6000m. For each trust you will find a detailed picture of its structure, background and management including:

- * A brief description of investment policy.
- * A 10 year record of earnings, dividends, net asset values and share price.
- * Principal investments and their distribution.
- * Full capital, loan and debenture details.
- * Names of directors and managers.

Management Performance, Share Record and Dividend Growth.

Unique to the Year Book are the statistics from The Association of Investment Trust Companies' own data bank of management performance, share record, and dividend growth. They provide an invaluable guide in helping to compare one trust with another, or the trust movement with other investment media.

A Pre-publication Offer

The Year Book is published in May at £10.50. By ordering now you can take advantage of a special price of £9.50—valid until 16th May.

Pre-publication price until 16th May
01805

ORDER FORM Please note payment must accompany order

To: Book Sales Dept., Financial Times Business Publishing Ltd., Freepost, London EC4B 4DT.

Tel: 01-823 1211 Telex: 8814734 PSUB G.

Please send me copy/copies of INVESTMENT TRUST YEAR BOOK 1980 at the pre-publication price of £9.50 each.

I enclose my cheque for made payable to FT Business Publishing (M&B). Price includes postage and packing in the UK.

Please tick box if you are a shareholder in an investment trust company

Mr/Mrs/Ms
(BLOCK CAPITALS PLEASE)
Name Position Type of Business Address Signed Date Tel.

Financial Times Business Publishing Ltd. Registered in England No. 880266. Registered Office: Bracken House, 10 Cannon Street, London EC4P 4BY. Bank Account: Midland Bank Ltd., 5 Threadneedle Street, London EC2R 8SD. Account No. 50357615.

SF styles

BY RAY LARSEN

Ship of Shadows by Fritz Leiber, Gollancz, £6.95, 253 pages

Fritz Leiber is the Merlin of modern fantasy. With his own unique alchemy he conjures up allusive tales which lurk in the mind months later.

This collection gives the strange, dreamlike flavour of his work. The setting of the title story appears to be a ghostly sailing vessel haunted by malignant phantoms. Or is it? In true Leiber fashion reality melts and shifts and in the end turns out to be something entirely different from what we suppose. In another hypnotic story a man strolling through New York suddenly notices a zppelin moored to the top of the Empire State Building. Gradually he drifts into an alternative universe, where the Kaiser's Germany dominates the world. It is a great tribute to the author that he can make this rather farcical plot entirely plausible.

Above all, Leiber is that rare creature, a science fiction writer with a sense of style. One actually finds oneself re-reading a page for the elegance of the writing.

HOW TO SPEND IT

That farmhouse look

MANY READERS may remember Woodstock of whom I write from time to time. Run by an American couple, Woodstock specialises in solid maple wood which is made into tables, round or oblong, large or small, butchers' blocks and bread or chopping boards. So successful has the venture been, partly because Alf Martensson and his wife have never taken on more than they can cope with at a given time, that they are now ready to offer yet another solid maple wood idea—kitchen worktops.

The worktops are all made to measure to suit each customer's specification and, of course, do the cut-outs for sinks, taps, bobs and marble insets. Woodstock's work surfaces were, apparently, chosen as one of the 12 best products of the past two years by *Architects' Journal* and though, of course, the maple wood is ideally suited for kitchens

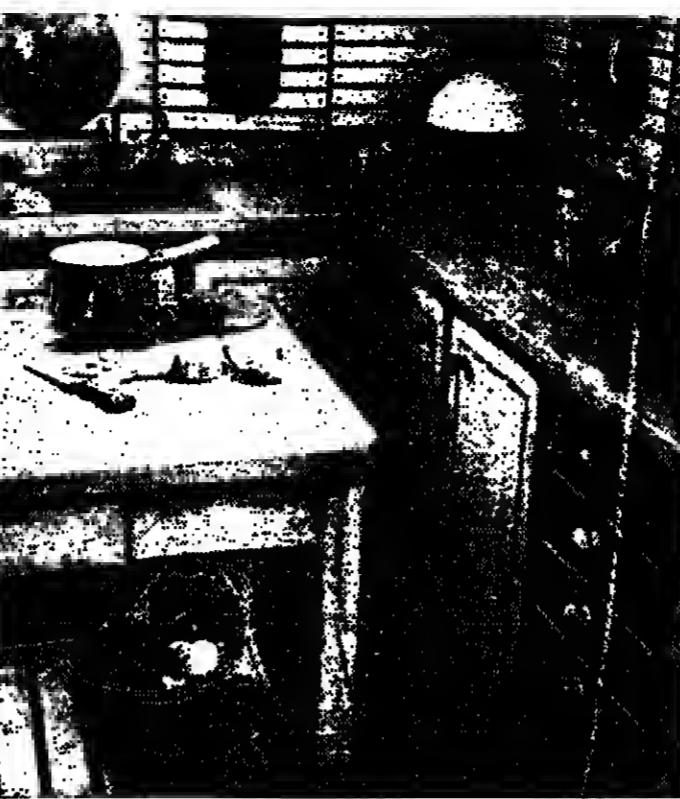
there is nothing to stop it being used for desks, counters, bar tops or anything else you fancy. I'm not surprised to discover that they find more and more people want natural materials in their kitchen (most of us want something rather warmer-looking than the clinical cells that manufacturers used to offer). The wood develops a fine patina with age and the Martenssons actually recommend that you regard the worktops as one large continuous working surface or chopping block—I'm not sure I'd be able to bring myself to cut up on something quite so beautiful myself, but anybody who wanted to preserve the pristine look could invest in a collection of Woodstock's chopping boards as well.

Maple is a very hard, close-grained wood and the worktops are all made from 2 ins stock so that when the wood is planed

they can supply a whole kitchen or a short length. The price for the standard 24 ins (610mm) wide worktop is £6.90 per 100mm and other widths are pro rata. At the moment they are quoting four to six weeks for a whole kitchen.

Woodstock is to be found at

Albion Yard, Balf Street, London N1. Later on the Martenssons hope to offer kitchen cabinets with solid maple doors and drawers for those who would like a really luxurious all-wood kitchen.

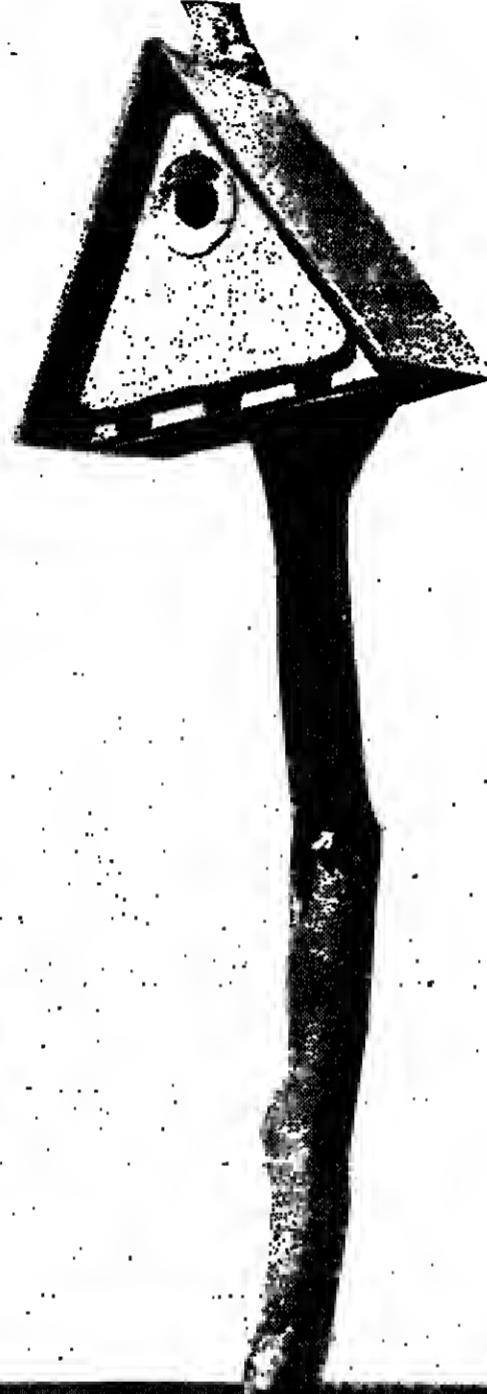


Safe as houses

FOR MANY PEOPLE, particularly the elderly, the handicapped, or the very young, their own immediate surroundings are of vital importance and a garden, if there is one, can be a source of immense pleasure. Birds in the garden offer a never-ending source of interest and providing a nesting-box can be a way of enthralling them within viewing distance.

Now is the time when birds are looking for somewhere to nest, safe from cats, squirrels and all the other predators, though some garden birds can nest as late as August and can have two or three broods. If you can encourage a bird to nest in a nesting-box it should help keep the old or the very young interested and absorbed all through the spring and summer months.

The nesting-box, above, is made from tough polycarbonate and it has three entrance holes, of variable sizes, so that many different species, from Blue Tits to Spotted Flycatchers can use the box. It can be fitted to trees or buildings for those who don't have a garden and can be bought from large department stores, pet shops and garden centres for about £5. If you have difficulty in tracking it down write to North West Plastics, Mosley Common Road, Worsley, Manchester.



Briefs in all colours

BRIEFCASES are very revealing—from the status-filled versions with a multitude of locks and stamped initials to the battered versions that many of Her Majesty's civil servants are seen to carry. For myself I like an off-beat style and take enormously to a very striking new range of brightly-coloured moulded plastic briefcases by Kirk.

They are slim and rectangular in shape, have "poppers" as fasteners and are extremely light to carry. The colours are their particular charm—bright poppy red, buttercup yellow, sky blue, grass green, black, white and brown.

I can't see many men outside the designer / photographer orbit being very happy carrying them, but I see them as

being a great success with women and children (for whom they would make marvellous replacements for the school satchel).

There are two sizes—"Metro" which is 16 ins by 12 ins by 3 ins (£8) and "Diplo" which is 18 ins by 12 ins by 4 ins (and doesn't come in all the colours, just red, yellow, brown and black, £11.)

In London they can be bought at Kirk, 5 Parry Vale, Forest Hill, London SE23; Brats, 624 Fulham Road, London SW6; Dilemma, 22 Thackery Street, London W1; Aram Designs, Keam Street, London WC2.

If you are not near any of these shops, buy direct by mail from Kirk adding £1.50 per briefcase for postage and package.

Going to pot

IT IS lovely to find garden pots that are as attractive as the ones sketched right and to know that they are actually made here in England and not imported at great expense from Tuscany or Provence. Up in the Yorkshire Dales is a small company called The Dales Pottery which makes gardenware of all sorts for the retail and the wholesale trade, using local clay and traditional methods.

The range of pots should cater for most gardening or horticultural needs—there are Strawberry Pots (£13.95) like the one sketched right, and large decorated garden pots (£13.95) like the one sketched above right. There's also the traditional parsley or herb pot (by dint of planting an individual parsley seedling in each hole I now have a flourishing equivalent which does look charming), bulb pots and wall plant pots. They come in all sizes and all shapes and are to be found at most garden centres. However, if you have difficulty in finding the range, write to The Dales Pottery, Clapham, North Yorkshire LA2 5DP.



Frank Wheeler

Can you or can't you?

Now I wish I'd had a chart like the one the Canned Food Advisory Service has just produced—this lists the length of time that all the different canned foods can be safely kept. The time varies from about one year for milk products and fruits to five years for cold meat and fish.

The storage guide has adhesive stickers so that it can be stuck up anywhere in kitchen or larder and I shall certainly consult mine frequently. A copy is available free by sending a second-class postage stamp to: Canned Food Advisory Service, Hulton House, 161-166 Fleet Street, London EC4A 2DP.

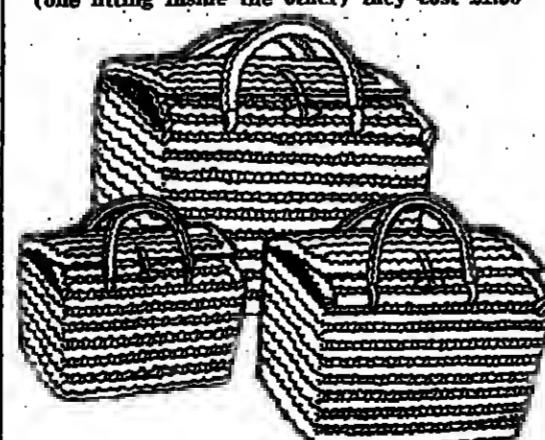
ducts and fruits to five years for cold meat and fish.

The storage guide has adhesive stickers so that it can be stuck up anywhere in kitchen or larder and I shall certainly consult mine frequently. A copy is available free by sending a second-class postage stamp to: Canned Food Advisory Service, Hulton House, 161-166 Fleet Street, London EC4A 2DP.

Carried away

MOST OF US seem to go away more as the weather begins the brighten up and we aim to spend more time in the open air. Here for those who are looking for some inexpensive hold-alls, whether for jetting away to other cities or just for pottering about in the British countryside are two useful sets of containers, both from main branches of Sainsbury's.

Below left, is a group of three baskets—use for carrying make-up, food for picnics, sewing or whatever else needs transporting. In natural straw and in three different sizes (one fitting inside the other) they cost £1.50



Drawings by Anne Morrow

for the smallest, then £1.99 and the largest is £2.99 (£6.48 for the set).

The travel bag looks much more expensive than it is—in black, dark brown or tan with quite nice detail for the price of £16.99. Large enough to cope with all most people would need for a week-end (it measures 19½ ins by 12½ ins by 9ins deep).

Below left, is a group of three baskets—use for carrying make-up, food for picnics, sewing or whatever else needs transporting. In natural straw and in three different sizes (one fitting inside the other) they cost £1.50

for the smallest, then £1.99 and the largest is £2.99 (£6.48 for the set).

The travel bag looks much more expensive than it is—in black, dark brown or tan with quite nice detail for the price of £16.99. Large enough to cope with all most people would need for a week-end (it measures 19½ ins by 12½ ins by 9ins deep).

Below left, is a group of three baskets—use for carrying make-up, food for picnics, sewing or whatever else needs transporting. In natural straw and in three different sizes (one fitting inside the other) they cost £1.50

for the smallest, then £1.99 and the largest is £2.99 (£6.48 for the set).

The travel bag looks much more expensive than it is—in black, dark brown or tan with quite nice detail for the price of £16.99. Large enough to cope with all most people would need for a week-end (it measures 19½ ins by 12½ ins by 9ins deep).

Below left, is a group of three baskets—use for carrying make-up, food for picnics, sewing or whatever else needs transporting. In natural straw and in three different sizes (one fitting inside the other) they cost £1.50

for the smallest, then £1.99 and the largest is £2.99 (£6.48 for the set).

The travel bag looks much more expensive than it is—in black, dark brown or tan with quite nice detail for the price of £16.99. Large enough to cope with all most people would need for a week-end (it measures 19½ ins by 12½ ins by 9ins deep).

Below left, is a group of three baskets—use for carrying make-up, food for picnics, sewing or whatever else needs transporting. In natural straw and in three different sizes (one fitting inside the other) they cost £1.50

for the smallest, then £1.99 and the largest is £2.99 (£6.48 for the set).

The travel bag looks much more expensive than it is—in black, dark brown or tan with quite nice detail for the price of £16.99. Large enough to cope with all most people would need for a week-end (it measures 19½ ins by 12½ ins by 9ins deep).

Below left, is a group of three baskets—use for carrying make-up, food for picnics, sewing or whatever else needs transporting. In natural straw and in three different sizes (one fitting inside the other) they cost £1.50

for the smallest, then £1.99 and the largest is £2.99 (£6.48 for the set).

The travel bag looks much more expensive than it is—in black, dark brown or tan with quite nice detail for the price of £16.99. Large enough to cope with all most people would need for a week-end (it measures 19½ ins by 12½ ins by 9ins deep).

Below left, is a group of three baskets—use for carrying make-up, food for picnics, sewing or whatever else needs transporting. In natural straw and in three different sizes (one fitting inside the other) they cost £1.50

for the smallest, then £1.99 and the largest is £2.99 (£6.48 for the set).

The travel bag looks much more expensive than it is—in black, dark brown or tan with quite nice detail for the price of £16.99. Large enough to cope with all most people would need for a week-end (it measures 19½ ins by 12½ ins by 9ins deep).

Below left, is a group of three baskets—use for carrying make-up, food for picnics, sewing or whatever else needs transporting. In natural straw and in three different sizes (one fitting inside the other) they cost £1.50

for the smallest, then £1.99 and the largest is £2.99 (£6.48 for the set).

The travel bag looks much more expensive than it is—in black, dark brown or tan with quite nice detail for the price of £16.99. Large enough to cope with all most people would need for a week-end (it measures 19½ ins by 12½ ins by 9ins deep).

Below left, is a group of three baskets—use for carrying make-up, food for picnics, sewing or whatever else needs transporting. In natural straw and in three different sizes (one fitting inside the other) they cost £1.50

for the smallest, then £1.99 and the largest is £2.99 (£6.48 for the set).

The travel bag looks much more expensive than it is—in black, dark brown or tan with quite nice detail for the price of £16.99. Large enough to cope with all most people would need for a week-end (it measures 19½ ins by 12½ ins by 9ins deep).

Below left, is a group of three baskets—use for carrying make-up, food for picnics, sewing or whatever else needs transporting. In natural straw and in three different sizes (one fitting inside the other) they cost £1.50

for the smallest, then £1.99 and the largest is £2.99 (£6.48 for the set).

The travel bag looks much more expensive than it is—in black, dark brown or tan with quite nice detail for the price of £16.99. Large enough to cope with all most people would need for a week-end (it measures 19½ ins by 12½ ins by 9ins deep).

Below left, is a group of three baskets—use for carrying make-up, food for picnics, sewing or whatever else needs transporting. In natural straw and in three different sizes (one fitting inside the other) they cost £1.50

for the smallest, then £1.99 and the largest is £2.99 (£6.48 for the set).

The travel bag looks much more expensive than it is—in black, dark brown or tan with quite nice detail for the price of £16.99. Large enough to cope with all most people would need for a week-end (it measures 19½ ins by 12½ ins by 9ins deep).

Below left, is a group of three baskets—use for carrying make-up, food for picnics, sewing or whatever else needs transporting. In natural straw and in three different sizes (one fitting inside the other) they cost £1.50

for the smallest, then £1.99 and the largest is £2.99 (£6.48 for the set).

The travel bag looks much more expensive than it is—in black, dark brown or tan with quite nice detail for the price of £16.99. Large enough to cope with all most people would need for a week-end (it measures 19½ ins by 12½ ins by 9ins deep).

Below left, is a group of three baskets—use for carrying make-up, food for picnics, sewing or whatever else needs transporting. In natural straw and in three different sizes (one fitting inside the other) they cost £1.50

for the smallest, then £1.99 and the largest is £2.99 (£6.48 for the set).

The travel bag looks much more expensive than it is—in black, dark brown or tan with quite nice detail for the price of £16.99. Large enough to cope with all most people would need for a week-end (it measures 19½ ins by 12½ ins by 9ins deep).

Below left, is a group of three baskets—use for carrying make-up, food for picnics, sewing or whatever else needs transporting. In natural straw and in three different sizes (one fitting inside the other) they cost £1.50

for the smallest, then £1.99 and the largest is £2.99 (£6.48 for the set).

The travel bag looks much more expensive than it is—in black, dark brown or tan with quite nice detail for the price of £16.99. Large enough to cope with all most people would need for a week-end (it measures 19½ ins by 12½ ins by 9ins deep).

Below left, is a group of three baskets—use for carrying make-up, food for picnics, sewing or whatever else needs transporting. In natural straw and in three different sizes (one fitting inside the other) they cost £1.50

for the smallest, then £1.99 and the largest is £2.99 (£6.48 for the set).

The travel bag looks much more expensive than it is—in black, dark brown or tan with quite nice detail for the price of £16.99. Large enough to cope with all most people would need for a week-end (it measures 19½ ins by 12½ ins by 9ins deep).

Below left, is a group of three baskets—use for carrying make-up, food for picnics, sewing or whatever else needs transporting. In natural straw and in three different sizes (one fitting inside the other) they cost £1.50

for the smallest, then £1.99 and the largest is £2.99 (£6.48 for the set).

The travel bag looks much more expensive than it is—in black, dark brown or tan with quite nice detail for the price of £16.99. Large enough to cope with all most people would need for a week-end (it measures 19½ ins by 12½ ins by 9ins deep).

Below left, is a group of three baskets—use for carrying make-up, food for picnics, sewing or whatever else needs transporting. In natural straw and in three different sizes (one fitting inside the other) they cost £1.50

for the smallest, then £1.99 and the largest is £2.99 (£6.48 for the set).

The travel bag looks much more expensive than it is—in black, dark brown or tan with quite nice detail for the price of £16.99. Large enough to cope with all most people would need for a week-end (it measures 19½ ins by 12½ ins by 9ins deep).

Below left, is a group of three baskets—use for carrying make-up, food for picnics, sewing or whatever else needs transporting. In natural straw and in three different sizes (one fitting inside the other) they cost £1.50

for the smallest, then £1.99 and the largest is £2.99 (£6.48 for the set).

The travel bag looks much more expensive than it is—in black, dark brown or tan with quite nice detail for the price of £16.99. Large enough to cope with all most people would need for a week-end (it measures 19½ ins by 12½ ins by 9ins deep).

Below left, is a group of three baskets—use for carrying make-up, food for picnics, sewing or whatever else needs transporting. In natural straw and in three different sizes (one fitting inside the other) they cost £1.50

for the smallest, then £1.99 and the largest is £2.99 (£6.48 for the set).

The travel bag looks much more expensive than it is—in black, dark brown or tan with quite nice detail for the price of £16.99. Large enough to cope with all most people would need for a week-end (it measures 19½ ins by 12½ ins by 9ins deep).

Below left, is a group of three baskets—use for carrying make-up, food for picnics, sewing or whatever else needs transporting. In natural straw and in three different sizes (one fitting inside the other) they cost £1.50

for the smallest, then £1.

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telex: 2854871, 283887
Telephone: 01-248 3000

Saturday April 12 1980

The monetary battlefield

AFTER THE Easter weekend's cult violence between Mods, Punks and Creasers on Britain's beaches, it was perhaps appropriate that stockbrokers' luncheon rooms this week witnessed a revival of hostilities between the City's own rival factions — the infamous Punk Monetarists and the recently resuscitated Keynesian Webs. The week's economic news provided an ideal battlefield. While the March banking figures suggested that monetary growth was at long last being squeezed within the 11 per cent official ceiling, the wholesale price index showed inflation rising to 18.9 per cent over the year, with little or no improvement yet in sight.

Sceptics

The many naive monetarists who arrived at their belief that inflation will automatically move into line with monetary growth, largely through disillusion with other policies, are likely to find their faith sorely tested over the coming months. Hence the growing ranks of sceptics, who are convinced that the contradiction between monetary restraint and continuing inflation will persuade the Government to abandon its financial plan to allow for a reflation, before the next election at the latest.

In fact the publication of the Government's medium-term financial plan seems to have had the paradoxical effect of increasing confidence about the immediate future, but raising more questions than it has answered about the feasibility of the longer-term objectives. In the gilt-edged market, this tension has been reflected in a remarkable unanimity among the analysts. Almost everybody is predicting a small fall in interest rates around June, while questioning the Government's long-term projections of public spending and pointing out that the achievement of these spending targets relies largely on higher charges, which will exacerbate inflation.

Pressure

Analysts who do not believe that inflation will come down nearly as rapidly as has been suggested by the Treasury's forecast of a 13 per cent rate by next spring, also tend to be sceptical about the achievement of even 1 per cent real growth after the drop expected this year. There is no provision in the Government's plans for any fiscal relaxation. But with both the corporate sector's finances and the personal sector's wages coming under increasing pressure, it is not clear where the demand will reflate the economy will come from. The higher the rate of inflation, compared with the Government's monetary growth targets, the deeper will be the deflationary trap in which the economy will be caught.

Letters to the Editor

Interest free

From Mr. Thomas E. Whittle
Sir — Your correspondent Alexander Barrie (April 5) cites the unusable reserve, constituting an interest free loan of £2, which industrial users of franking machines must give to the Post Office.

Many more people, those who can least afford it, are persuaded by the ales promotion of the Post Office to buy television and telephone stamps, soon to be added to by stamps for the vehicle excise licence. Gas and Electricity Boards and local rating authorities all indulge in this lucrative business of enticing the consumer to pay in advance by purchasing stamps or by statement without discount for interest. There must be large sums of money, perhaps millions, loaned to the authorities by those whose meagre resources dictate careful apportionment of the weekly wage or pension.

In these days of high interest rates, when promoting these so-called "saving" stamps, should not the Post Office give equal prominence to saving by way of the National Savings Bank. Equally, Building Societies and other savings media should publicise the virtue of regular saving to meet television and excise licences, gas, electricity and telephone bills, not in monthly rates, rather than lending money interest free by way of stamp.

Thomas E. Whittle
19, Kildonan Drive,
Maybole, Ayrshire.

Pension provision

From the President of the Society of Pension Consultants

Sir — The accountancy, economic and actuarial disciplines are all essential ingredients in considering the financial implications of pension provision. Such an overall view is not at the expense of economic reality, as suggested by Mr. Brookes (April 9). Indeed, my own reality leads me to believe that we live in a rather more sophisticated economy than that applying in Afghanistan and other under-developed countries where there is much to be said in favour of the family provision. But the likelihood of our putting the clock back to

a pastoral economy seems hardly in tune with the realities of our current society.

It is, of course, to state the obvious that we are all dependent on the maintenance of our economy in something like its present form when considering pensions. If our economy is destroyed, or changed out of all recognition to current understanding, then pensions (fundamental or PAYG) will be the least of our problems. To that extent we are all dependent upon our grandchildren, and what we should seek to avoid is placing them in a position where they cannot maintain the *status quo*.

Christine Moir points out in her article a real need for better knowledge on this difficult subject. Both accountancy and actuarial techniques play important roles in identifying the liabilities and the available resources. Yet there is no similar financial knowledge on the real liabilities of PAYG that are being passed on. If your correspondent is right in her analysis then the likelihood is that funded schemes will become subjected to even greater financial disciplines which will remain conspicuous by their absence in respect of PAYC provision.

The fact that we have to worry about falling output is the basic tenor of my own remarks in seeking to recognise the problem and not to avoid it. The liability, whether funded or not, is an "absurdly high" figure when index-linking is introduced leading to the stated four times salary multiplier becoming of the order of 12 times at current inflation rates.

It certainly can be argued, as Mr. Hasan does (April 9), that the provisions now being made are more than the economy can stand. A redistribution of the "aggregate acceptable inflation risk," so that pensioners get more and earners potentially less is an admirably simplistic answer; unfortunately, earners don't see it that way.

Like Mr. Webb Ware, I am also deeply concerned that when our working days are over we enjoy a contented retirement. It is because of that concern

PUBLIC SERVANTS BY IAN DAVIDSON

Where waste is worse than in Whitehall

THE UNITED KINGDOM employed just over 3.6m public servants in 1981. By 1978 the total had grown to just over 3.5m, an increase of 46 per cent. In only one of these years (1977) was there a slight relapse from the 1976 peak level of 3,336,000; otherwise the expansion of the army of bureaucrats proceeded without a stagger. (The total does not include the nationalised industries and public corporations, since their employees are supposed to be paid out of the revenues of these corporations rather than out of the taxpayer's pocket, even if that is not always the case.)

Fortunately, the sort of monetarism that depends on a "black box" relationship between money, inflation, and output is unsatisfactory not just because the "long and variable lags" between monetary causes and real economic effects are politically nerve-racking. It also distracts attention from the fundamental fact that monetary restraint does not automatically cure inflation — it merely makes the consequences of inflation obvious and unpleasant. The most unpleasant consequence of a rate of inflation persistently above the rate of monetary growth is a decline in economic activity and a rise in unemployment. Sooner or later this is bound to restrain inflationary pressures, whether they arise from excess demand, monopoly over-pricing, or excessive wage claims.

House values

What really worries many opponents of the Government's policy is that the economy will be plunged into a deflationary spiral in the meantime, because of the Government's determination to keep its borrowing down. Even if and when inflation is sharply reduced, there is no guarantee that demand will rise spontaneously to revive economic growth. What this traditional, but naive, Keynesian analysis overlooks is the effect of interest rates on demand.

In the early days of the debate between traditional Keynesian and neo-Classical economists, great play was made of the "wealth effects" of falling interest rates. While there was scepticism in the 1950s about the importance of these effects, the spread of home ownership could leave little doubt that a sharp fall in interest rates can have a dramatic effect on demand as home owners become richer. The recent inflationary binge in the United States was financed by borrowing against appreciating house values. In the British context lower interest rates could have an even more important demand effect on the foreign sector, if they encouraged capital outflows, a fall in the exchange rate, and an increase in export demand. That, presumably, is what the Government is counting on.

Over the next four years of the Government's painful expenditure plans, the numbers in the civil service are expected to be "on a downward trend." No targets have been announced, partly no doubt because every extra job will be more difficult to save and will, at a time of rising general unemployment, involve more hassles with the unions.

Much more interesting, and in the long run perhaps much more significant, are the Rayner projects for reassessing closely defined activities within government departments. As is by now well known, these projects are carried out by Principals or Assistant Secretaries in their own ministries, reporting both to their own Ministers and to Sir Derek Rayner, with, in some 2.2m more than in France. If we had as few public servants as France we would be saving about £3bn a year in wages and salaries. Compare this with the planned Public Sector Borrowing Requirement for 1980-81 of £84bn, as well as with the £1.2bn which we could expect to pay into the European Community budget in the absence of any negotiated adjustments.

Three or four months ago, it was expected that the results of the first batch would be announced with a certain amount of aplomb. But the weeks passed, and it began to seem, not perhaps without reason, that

it was to be asked to pay market rents for their buildings, they would have a strong case for using the market rather than just the PSA in adjusting their accommodation needs. In either case, the role of the PSA, which

ministerial decisions on the recommendations were being impeded by crusty mandarins who didn't hold with this sort of rude interference in the time-hallowed ways of Whitehall.

Now, however, the approach seems to be deliberately downbeat, but not because the Rayner campaign has run into the bureaucratic sand. In the first place, the money savings which could have been identified with the first batch of projects were really not so very large — of the order of £30m, plus some one-off capital savings. But second, and more important, the whole Rayner exercise lies not in finding particular economies in, for example, the Government's statistical services or the method of paying social security benefits, but in bringing about a sea-change in Whitehall attitudes so as to identify waste and inefficiency and find better solutions. "I am against fairs," says Mr. Paul Channon, Minister at the Civil Service Department; "What is needed is grinding attention to detail."

It is difficult for an outsider to tell how much foot-dragging there may have been (or may still be) on the part of top civil servants, though I take it as axiomatic that no "Sir Humphrey" can have welcomed the novel idea of a junior administrator recommending changes in the running of his department, and reporting direct to the Minister, let alone to a mere businessman with a temporary desk in the Cabinet Office. But however that may have been, the Civil Service Department would now claim that the general atmosphere surrounding the Rayner exercise is excellent.

If this is true, it may be as a result of the launching of the second, even larger batch of projects for 1980: a Permanent Secretary who comes round to the view that Rayner, so far from being a one-off public relations exercise, is turning into a regular feature of life under the Conservatives. Is likely to make the best of it. At the CSD one hears much of the enthusiasm of Ministers and of junior administrators for Rayner-type scrutiny, rather less of the enthusiasm of veteran mandarins. But then one can't really expect enthusiasm from Sir Humphrey, whatever the cause. One senior civil servant refuses to watch Yes, Minister, because he finds it too painful). What is interesting, though, is that the Civil Service Department has been encouraged by the Rayner exercise to extend its admonitory role in Whitehall — in the most tactful possible way, of course. Until Rayner, departments jealously and successfully defended

inaction, but now that the PSA is to be asked to pay market rents for their buildings, they would have a strong case for using the market rather than just the PSA in adjusting their accommodation needs. In either case, the role of the PSA, which

Mr. Lafferty did not add the next sentence, which states "35 per cent of adult individuals hold more than one type of account, while 20 per cent hold none." He has clearly omitted to observe that this 25 per cent is in addition to the figures that he has quoted.

Thus, even on these figures the proportion of adults who have an account with a commercial bank is more like 60 per cent and the number who have an account with some form of financial institution is around 80 per cent. These figures refer to the year 1978, and there has been a further increase in bank account holding since then.

Brendon Sewell,
10, Lombard Street,
EC3.

House prices

From Mr. P. H. Heath-Saunders

Sir — With regard to the statement issued by the Nationwide Building Society today (April 10), I should like to make my specialisation in Property and the Property Share Market in 1980. I found a direct correlation between real disposable income and house prices below, say, £25,000 at today's price. At a later date I isolated a direct correlation between house prices above, say, £80,000, and the level of the Industrial Share Index.

At present, building societies are not receiving sufficient income on their withdrawals to meet their current commitments. Even should interest rates fall, the mortgage rate will not come down until the societies are receiving sufficient net deposits to meet current commitments let alone meet the demand for mortgage finance.

As disposable income is falling and is likely to continue to do so for some time, it must follow that house prices below £25,000 will continue to fall, more so as the propensity to save is increasing.

House prices above £80,000

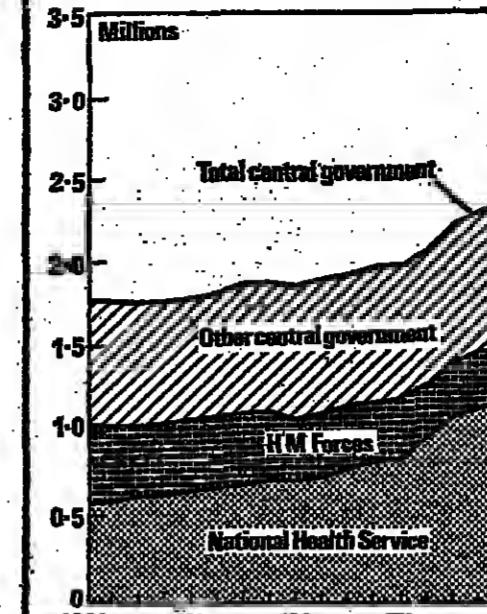
will continue to fall as the stock market falls. This has already

become obvious in London and

in such prestigious areas at St

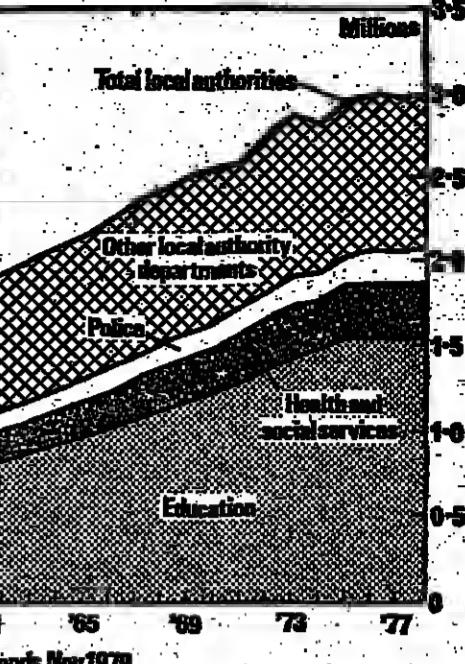
George's Hill, Weybridge.

CENTRAL GOVERNMENT EMPLOYMENT (MID-YEAR)



Source: Economic Trends, Nov 1979

LOCAL AUTHORITIES EMPLOYMENT (MID-YEAR)



employed some 40,000 people a year ago, would be in question.

Also in the pipeline is a new budgeting procedure for identifying the costs of each department, which has been proposed by Sir Derek Rayner. Through the details of the proposals are still apparently being digested, the principle of annual departmental budgeting was decided by the Cabinet last autumn, and it seems highly likely that something along the Rayner lines will go through, and be employed on a pilot basis this year, and for real in 1981-82.

There would appear to be two sensitive issues in the Rayner draft. The first is that he assumes that Ministers will be responsible not only for current expenditure but also for capital assets — an assumption which is closely related to the future of the PSA. The second is that he suggests that departmental budgets should be broken down into "organisational units" where the man in charge might be only an Assistant Secretary. He does not even hint that Assistant Secretaries might be used to justify their financial performances before a Commons Select Committee, but the very idea of making relatively junior officials accountable for expenditure would be a revolutionary step towards the introduction of modern management practices into the Civil Service.

These attempts to introduce the notion of efficiency into the minds of Whitehall mandarins and, no less important, the notion of cost-effectiveness into the minds of Ministers, are no doubt thoroughly laudable. But it is important to get the perspective right. Whitehall only accounts for about one seventh of the total number employed in the public service, and it has not grown enormously since 1961 — by about 12.5 per cent, in fact. It is dwarfed by the National Health Service and the education industry. Both of these have doubled in size since 1961; so have the numbers employed in social services by local authorities.

The education sector grew in response to an increase of the number of schoolchildren, but it is less easy to explain in any reassuring way the growth in the health and social services. But over the years, one

of the most important steps taken by the Government is setting out to control public spending in the health service and the local authorities. The question that has yet to be answered is, how to ensure that economies fall in the right place. The trend of local authority spending over the past five years has been steadily downwards, but the cuts have been falling exclusively on staffing.

The education sector grew in response to an increase of the number of schoolchildren. If Sir Derek Rayner succeeds in introducing accountability into Whitehall, perhaps he should tackle the much bigger problem of accountability in the NHS and the local authorities.

Reorganisation increase

The Commission's response to this state of affairs is to recommend an increase in the numbers and in the salaries of administrators. But, the curious thing is that between 1971 and 1977, the number of administrators employed by the health service in England exactly doubled, while the number of hospital doctors rose by less than 20 per cent between 1972 and 1977. Naturally, most of the increase in the number of administrators took place after the reorganisation. The Government is now planning another reorganisation of area and district health authorities: it goes without saying that we should foresee a further increase in the number of administrators.

The Government is setting out to control public spending in the health service and the local authorities. The question that has yet to be answered is, how to ensure that economies fall in the right place. The trend of local authority spending over the past five years has been steadily downwards, but the cuts have been falling exclusively on staffing.

The Distressed Gentlefolk's Aid Association runs a particular type of Home for a particular type of person. Not just what is implied by the "Gentlefolk" in our title but anyone, man or woman, who will "find" with our other residents.

We have 13 Homes in all. Some Residential, some full Nursing Homes. Anyone who needs a Home but who lacks the necessary financial resources can apply to the DGAA for help.

Places are short, because money is short. Your donation is urgently required. And please do remember the DGAA when making out your Will.

DISTRESSED GENTLEFOLK'S AID ASSOCIATION

VICARAGE GATE HOUSE, VICARAGE GATE, KENSINGTON, LONDON W8 4AQ.

"Help them grow old with dignity."

Handwritten signature in Arabic: "لهم اجعلني ملائكة في الدنيا والسماء"

Uncertain vintage for UK travel industry

BY ARTHUR SANDLES

ALL THE GLOOMY talk of recession and uncertainty did not prevent the annual rites of spring for the British travel industry. As if by magic the April sunshine produced its crop of camera-clutching, map-holding, neck-stretching visitors from foreign lands. The pound may be riding high, but the lure of Britain remains strong.

Both the sunbathers and the travellers were a welcome sight to the hotel and catering industry, which is facing 1980 with brave-faced, nail-biting. Although the season has in theory started, no one really has any firm idea of whether 1980 is going to be a good year for business or disastrous. The prediction game has become an extraordinarily difficult one in tourism, due to a large extent to a drift away from long-term planning by consumers to a rash of impulse buying. It is now a market in which a large sector of buyers, both domestic and foreign, are making their travel decisions almost on an instant basis.

War fears

Two factors contribute to this switch away from forward commitments by consumers—economic uncertainty and the airline fare revolution. Uncertainty has hit the American market hardest. The dispute in the U.S. is not only economic. "Our research shows that a large number of Americans believe that the U.S. will be involved in a war soon," says Trust House Forte. "If people think that, then they are not going to plan foreign holidays."

The American travel market has been wobbly for some time. Last year U.S. visitors to Britain were down by more than 10 per cent, and the main decline was during the peak summer season. In other words it was the tourists who stopped



Traditional tourist Britain—U.S. visitors pose for a picture for the folks back home. Sir Charles Forte, chairman of Trust House Forte, facing an uncertain 1980 tourist season.

rack rates—bore very little relationship to the actual rate being received by the hotel for the bulk of its lettings. In many parts of the industry this is no longer the case and rack rates are being adhered to as firmly as possible. Thus, an apparent fall in occupancy levels is not always as bad for revenue as might first appear.

However, bed-occupancy levels could fall so heavily this year that this brave stand will begin to crumble. Already the drop in business in London is severe. According to the English Tourist Board the average annual occupancy of low-priced (a comparative term) London hotels fell from 64 per cent in

Intriguingly enough no one seems to believe that the cur-

rent problems in hotels and catering in Britain, or indeed internationally, are anything more than a temporary hiccup. There is confirmation of this belief in the fact that there is a long queue of buyers waiting for modern town-centre properties—notably in London, Hyatt and Marriott are two American giants, which are very keen to find central London flagships.

And on the domestic scene such companies as the growing Crest group (Bass Charrington) seem similarly enthusiastic.

Purchase of present properties may be the only way for these companies to get into the magic central zone. With 6,000 hotels already providing 62,000

bedspaces the City of Westminster is not eager for further hotel development, nor is the borough of Kensington and Chelsea, whose local residents are already close about having 300 hotels and 28,000 bedspaces.

London is in the peculiar position of resenting the tourists when they are present and getting worried when they are not. The impact of a really sharp fall off in tourism would extend far beyond the capital's hotels and restaurants. The Greater London Council's estimate of tourist spending on shopping in the capital, and mainly in the centre, was £450m in 1977. They contribute 25 per cent of all the money spent

in central London shops and some of the largest stores now estimate that more than half their turnover is from foreign visitors," says the GLC. Without tourists London Transport reckons it would have to increase fares by 25 per cent if a cut in services were to be avoided.

Market pressures may not last very long. The fact is that those pressures are already forcing hoteliers to look at their tariffs with more concern than they would like.

Most were able to widen their margins in the first years of 1976-78 but now see them being squeezed again. THF has recently increased its London rack rates by an average 6.8 per cent for single rooms and 7.1 per cent for twins. In the provinces (allowing for the fact that breakfast is often not now included) the increases are 10 per cent and 18.5 per cent.

Forecasting

Mr. David Leach, THF Hotels joint managing director, says: "In the current climate where price rises in one service or another are coming through every day we have had to anticipate the likely increases we will be faced with one year ahead, and some of the predictions on cost increases are quite frightening."

THF staff now have a crib sheet in case a complaining customer wants to know why prices are rising. It shows company cost rises over the past year, ranging from VAT (up 87.5 per cent) and heating oil (up 84 per cent) to electricity (up 15 per cent).

Such a crib sheet is not likely to be much use in the nation's restaurants, some of which are suffering considerably more than the hotel industry. A Gallup survey of eating habits showed recently that in the year mid-1978 to mid-1979, although there was a measure of concern—the future for the tourist industry in the UK must clearly be viewed with some reservation—the mood was generally optimistic.

In spite of high sterling rates and general economic recession, the hotel industry "has shown much resilience, even during the recession of 1974/75 and we believe that any downturn will be temporary. Air fares will remain cheap in real terms. London will benefit from becoming an even more important financial centre than during the last decade."

It is no wonder that Britain's hotel and catering industry has its eyes cast skywards at the moment: hoping that the recent fine weather is not just a flash in the meteorological pan.

Bill Amalgamated Textile Workers' Union, three-day conference opens, Blackpool. National Union of Journalists annual delegates meeting opens, Portrush (to April 21). Food Manufacturers Federation seminar on Food in the Eighties, London. Central Transport Consultative Committee annual report published. British Aerospace annual report published. Institute of Directors conference on communications in industry, London.

FRIDAY: Retail prices index (March). Tax and price index (March). Prince Charles represents the Queen at Zimbabwe independence celebrations.

Economic Diary

TODAY: Mr. Denis Healey, Shadow Chancellor, addresses Nottinghamshire Labour Party meeting, Repton.

TOMORROW: Mr. Francis Pym, Defence Secretary, Mr. John Nott, Trade Secretary, and Mr. Edward Heath, address Greater London Young Conservatives conference, Birmingham.

MONDAY: European Parliamentary session opens, Strasbourg (to April 18). National Union of Students' conference opens, Blackpool (to April 18). National Association of "Schoolmasters" conference, Harrogate.

TUESDAY: Building societies' monthly figures (March). Mr. Neil Kinnock, Opposition spokesman, attends National Union of Mineworkers Midland area annual conference, Blackpool. Communications and Systems exhibition opens, NEC, Birmingham (to April 18). Commons debate remains on stage of the Insurance Companies Bill, and Local Amendments to the Companies Bill. Sir Keith Joseph, Industry Secretary, speaks at Paddington Small Business Bureau meeting, London.

WEDNESDAY: Indices of education spokesman, attends National Union of Mineworkers Midland area annual conference, Blackpool. Communications and Systems exhibition opens, NEC, Birmingham (to April 18). Commons debate remains on stage of the Insurance Companies Bill, and Local Amendments to the Companies Bill. Sir Keith Joseph, Industry Secretary, speaks at Paddington Small Business Bureau meeting, London.

THURSDAY: Index of industrial production (February—provisional). UK banks' assets and liabilities and the money stock (mid-March). London dollar and sterling certificates of deposit (mid-March). Balance of payments, current account and overseas trade figures (March). Commons debate progress on remaining stages of Employment Bill.

Could you beat this interest rate today? Yet it's what a man would have achieved by taking out a £10 a month ten-year with profits endowment policy with us in 1969, when aged 29.

The actual maturity value of £1,916 in 1979 produced a return equivalent to 12.59% a year, as calculated by the independent journal Money Management in its May 1979 issue. This was also the highest return in a

comparison of endowment policies from 71 different life companies.

In these calculations, Money Management assumed tax relief on the premiums at 17.5%, which is the current rate.

From April next year, tax relief will be 15%. But even then each £1.00 of premium will cost you only 85p.

Another benefit is that you get life assurance to protect your family.

In Money Management's comparisons, our ten-year policy has not only produced the best result every year for the past six years, but has also improved its figures every single year since the survey began.

How well will we do in the future?

The past can never guarantee the future. But it can be a useful guide.

Here are two reasons for expecting good results from us in the future:

Firstly, The Equitable's ratio of expenses to premium income is very low—the last published analysis showed it as less than half the industry average.

Secondly, although many of our results already lead the industry, we've been able to increase our bonus rates as from 1 January this year.

For these reasons we believe that our ten-year with profits endowment policy is an investment that's hard to beat.

OVER
comparison
of endowment policies from
71 different life companies.

12%

A YEAR TAX FREE.

Even with tax relief reduced to 15%, we're still able to project a return on our ten-year endowment equivalent to 12.2% tax free. (Example based on male age 29 now, premium £50 a month, if current bonus rates continue.)

For the lump sum investor, we offer a variation of this plan capable of achieving a very attractive rate of return.

For more details, please ring us on 01-606 6611, or post us this coupon. FREEPOST—it needs no stamp.

TO: THE EQUITABLE LIFE ASSURANCE SOCIETY, FREEPOST, 4 COLEMAN STREET, LONDON EC2B 2JL

I'd welcome further details on The Equitable Life, as well as on your following plans: Endowment savings policies

Lumpsum investment plans Life cover Pension plans School fees plans

Name _____

Date of Birth _____

Address _____

Postcode _____

Tel. Office _____

(Home) _____

The Equitable Life

The oldest mutual life office in the world.

FTR 80A

Founded 1762

Companies and Markets

Lyle Shipping advances and expects further rise

OPERATING profits of the Lyle Shipping Company expanded from £2.32m to £3.6m in 1979 and the dividend is lifted from 5.47p to 7.5p with a final of 4.2p. At the pre-tax level, the surplus was £1.38m against £1.00m.

These gains will be consolidated in the first half of 1980, the directors forecast, and the full-year operating surplus will be significantly better. It will include a profit of about £1m from the disposal of the Cape Grafton, which has been sold since the year end, they add.

The pre-tax surplus this time is struck after interim charges of £1.8m (£1.98m), exchange losses on loan repayment of £0.62m (£1.07m) and exceptional debts of £94,000 (£116,000), and includes profits from the sale of £81,000 (£23.4m), and the sale of £1.5m (£20.52m). After tax, a tax of £155,000 (£536,000), earnings per 25p share are shown as 53.03p (53.88p loss).

The operating surplus is after depreciation of £845,000 (£827,000) and consists of profits from shipowning of £2.76m (£1.12m); precision engineering £33,000 (£1,000); insurance

broking £162,000 (£134,000); North Sea services £166,000 (£14,000) and ship broking and management £479,000 (£23,000).

Turnover advanced from £11.56m to £13.75m.

A fleet valuation, excluding new-buildings leased and time-chartered ships shows a total of £24.5m, an increase of £3.6m over value. No material exchange losses are expected in the current year.

● comment

Lyle Shipping's profits have been boosted by a £1.5m surplus on the sale of its stake in Caledonian Airways Ltd and £0.8m worth of ship profits. However, these bonuses should not be allowed to disguise the very material improvement in the group's shipping operations. Pre-tax profits of £3.4m would have been firm better, but for the sharp downturn in Lyle's North Sea service operations which lost money in the second half. Lyle's profits doubled their average earnings in 1979 and the group kept most of them trading on the spot market as rates rose. This year it is tending to fix them for longer periods and is

talking about a "significant" improvement in operating results. At 203p, the shares yield over 5 per cent.

Catalin finishes at £0.43m

DESPITE a slight fall from £42.709 to £37.289 in the second half, taxable profits of Catalin, industrial resin manufacturer, finished 1979 at a record £427,283, compared with £349,709. Turnover went ahead from £7.7m to £9.35m.

Profits at the interim stage had risen to £190,000 (£107,000) but directors warned that prospects for the second six months did not look as encouraging.

After SSAP 15 adjusted tax of £22,329 against £185,761, yearly earnings are shown as 12.3p (9.8p) per 25p share. The dividend is stepped up to 3.8476p (£3.157p) net with a final of 3.0137p.

German side leaves 'W' Ribbons with loss—interim omitted

MAINLY reflecting the unsatisfactory experience of Hummel, its German subsidiary, 'W' Ribbons' half-year reports a turnaround from a £5.316 deficit to a pre-tax loss of £230,228 for the six months ended December 31, 1979, on a reduced turnover of £7.61m against £8m.

And the interim dividend is again passed, any consideration of a final payment being made when full year results are known—last year's final was 1p net paid from pre-tax profits of £129,000.

There was an extraordinary debit of £472,368 for the period relates to the disposal of the loss-making activities of the German company.

The group's UK companies, which are mainly engaged in the manufacture of cargo handling equipment, flexible containers, under some pressure on margins, and seat belt webbing, were in the first half, although they managed to maintain their position as market leaders, directors state.

They believe that a rationalisation programme in the main weaving company, 'W' Ribbons Limited, will produce very positive results during 1980-81.

There was an operating surplus for the six months of £49,155 against £210,826, but interest of £279,387 (£205,510) left the pre-tax loss figure this time.

Tax, which is an overseas charge, takes £16,567 (£24,720), and after a minorities loss of £21,591 (£42,717) and extraordinary items, the loss was £683,573 (£23,313 profit).

There was surplus over book value of £231,751 on a revaluation of the group's UK properties.

● comment

'W' Ribbons dipped its toe into the water of the German

seat belt market and found itself disappearing almost up to the neck. In the UK it is the major supplier of webbing, but it had no experience of full seat belt manufacture and relied too heavily on German Ford production.

Last Autumn Ford cut its offtake by half and problems came to a head. The extraordinary item of £472,000 represents the majority of the cost of closure—but by no means all. As for the downturn in trading profits most of that can be put at the door of the German operation.

Errors can be expensive. In its last accounts the company had nearly £5m of debt against shareholders' funds net of goodwill of £3.7m and the borrowings, according to 'W' Ribbons, are basically a result of Germany. By the end of this year debt will be little changed but the write-off of reserves will obviously leave gearing ratios higher—the primary revaluation is not going to help much. It seems the UK operations will be sound after some current rationalisation but it could take years to overcome the aftermath of the seat belt venture, unless there is some external funding. A rights issue is say for the downturn in trading profits most of that can be put at the door of the German operation.

Errors can be expensive. In its last accounts the company had nearly £5m of debt against shareholders' funds net of goodwill of £3.7m and the borrowings, according to 'W' Ribbons, are basically a result of Germany. By the end of this year debt will be little changed but the write-off of reserves will obviously leave gearing ratios higher—the primary revaluation is not going to help much. It seems the UK operations will be sound after some current rationalisation but it could take years to overcome the aftermath of the seat belt venture, unless there is some external funding. A rights issue is

needed to restore confidence in the market.

First-half turnover of the group, which is engaged in electrical and acoustical engineering, improved from £9.82m to £11.62m. Tax charge is lower at £40,881 (£49,611).

A maintained interim dividend of 1p is paid from attributable profits of £397,591 (£105,919)—last year's final was 2.75p.

Burgess Products

TAXABLE profits of Burgess Products Company (Holdings) for the 27 weeks to February 2, 1980, were £439,214, compared with £159,215 in the corresponding 26 weeks last time, when the results were adversely affected

by interco and external industrial disputes.

After a strong recovery in the second half, full-year profits for 1978-79 were £1.15m.

In the current year, the directors say outside industrial unrest, particularly in the steel industry, and market conditions are affecting the second half, making it difficult to assess results for the year as a whole.

First-half turnover of the group, which is engaged in electrical and acoustical engineering, improved from £9.82m to £11.62m. Tax charge is lower at £40,881 (£49,611).

A maintained interim dividend of 1p is paid from attributable profits of £397,591 (£105,919)—last year's final was 2.75p.

Clarke Nickolls downturn

DESPITE turnover more than doubling from £0.62m to £1.35m, pre-tax profits of Clarke Nickolls and Coombs, property investor and developer, fell from £1.16m to £0.94m for 1979.

Profits include a £126,104 (£54,839) surplus on revaluation of development properties and £87,323 on sales of land and buildings.

After tax of £399,799 (£366,863), minorities £29,643 (£2,282) and extraordinary debits £73,220 (nil), etc., the attributable balance declined from £70,095 to £384,376.

Earnings per 25p share are stated at 9.95p (16.03p) and the final dividend is 1s.2p net for a 3.5p (2.1897p) total.

A single net dividend of 2p will be paid in November. However, if the forecast had related

since the interim.

Analysts are expecting Glaxo's profits to have stabilised, after last year's fall, when the group announces its interim figures next Monday. Most forecasts range between £35m and £38m, which compares with £36.5m the previous year, though at least one leading analyst is expecting no more than £32m. The group will again have been hit by the appreciation of sterling and the effect of price rises implemented in October and December will have had little impact on the first half. At the same time, Glaxo has had to accommodate substantial cost increases in the UK. For the full year, however, the picture should be much brighter and the group could make almost £36m pre-tax, analysts believe. This compares with £72.3m in 1978.

Estimates of preliminary 1979 net attributable earnings of Rio Tinto-Zinc due Wednesday, vary from £119m to £138m. With results of subsidiaries Codelco, Rio Tinto of Australia, Pabco and Rio Algom already in, attention is focused mostly on U.S. Barco, Rossing and RTZ Industries. Barco and Industries are expected to show slight growth and Rossing to make its first significant contribution. The sterling exchange rate to the U.S., Australian and Canadian dollars and the Rand is still a factor but at least there has been little further adverse change.

Two more banks are releasing their figures next week: Bank of Scotland and Standard Chartered, both come through on Tuesday with year-end results. The former should improve from last year's £34.25m up to £40m on the basis of higher loan volume and the increased interest rates. At Standard Chartered, analysts predict £177m to £180m against £145.3m. The bulk of this improvement stems from better profits in South Africa and the

Far East.

While 1979 pre-tax profits of fast-recovering Barmac Oil is expected to reach £50m to £62m compared to £11.1m in 1978 many investors will be looking first for the final dividend rate when the company's preliminary results are announced Wednesday. After a five-year absence, a 1.5p dividend was paid at the interim accompanied by an assurance of at least as much again at the year-end. Hopes for the final run as high as

3.5p.

Estimates of preliminary 1979 net attributable earnings of Rio Tinto-Zinc due Wednesday, vary from £119m to £138m. With results of subsidiaries Codelco, Rio Tinto of Australia, Pabco and Rio Algom already in, attention is focused mostly on U.S. Barco, Rossing and RTZ Industries. Barco and Industries are expected to show slight growth and Rossing to make its first significant contribution. The sterling exchange rate to the U.S., Australian and Canadian dollars and the Rand is still a factor but at least there has been little further adverse change.

Two more banks are releasing their figures next week: Bank of Scotland and Standard Chartered, both come through on Tuesday with year-end results. The former should improve from last year's £34.25m up to £40m on the basis of higher loan volume and the increased interest rates. At Standard Chartered, analysts predict £177m to £180m against £145.3m. The bulk of this improvement stems from better profits in South Africa and the

Far East.

While 1979 pre-tax profits of fast-recovering Barmac Oil is

expected to reach £50m to £62m compared to £11.1m in 1978 many investors will be looking first for the final dividend rate when the company's preliminary results are announced Wednesday. After a five-year absence, a 1.5p dividend was paid at the interim accompanied by an assurance of at least as much again at the year-end. Hopes for the final run as high as

3.5p.

Estimates of preliminary 1979 net attributable earnings of Rio Tinto-Zinc due Wednesday, vary from £119m to £138m. With results of subsidiaries Codelco, Rio Tinto of Australia, Pabco and Rio Algom already in, attention is focused mostly on U.S. Barco, Rossing and RTZ Industries. Barco and Industries are expected to show slight growth and Rossing to make its first significant contribution. The sterling exchange rate to the U.S., Australian and Canadian dollars and the Rand is still a factor but at least there has been little further adverse change.

Two more banks are releasing their figures next week: Bank of Scotland and Standard Chartered, both come through on Tuesday with year-end results. The former should improve from last year's £34.25m up to £40m on the basis of higher loan volume and the increased interest rates. At Standard Chartered, analysts predict £177m to £180m against £145.3m. The bulk of this improvement stems from better profits in South Africa and the

Far East.

While 1979 pre-tax profits of fast-recovering Barmac Oil is

expected to reach £50m to £62m compared to £11.1m in 1978 many investors will be looking first for the final dividend rate when the company's preliminary results are announced Wednesday. After a five-year absence, a 1.5p dividend was paid at the interim accompanied by an assurance of at least as much again at the year-end. Hopes for the final run as high as

3.5p.

Estimates of preliminary 1979 net attributable earnings of Rio Tinto-Zinc due Wednesday, vary from £119m to £138m. With results of subsidiaries Codelco, Rio Tinto of Australia, Pabco and Rio Algom already in, attention is focused mostly on U.S. Barco, Rossing and RTZ Industries. Barco and Industries are expected to show slight growth and Rossing to make its first significant contribution. The sterling exchange rate to the U.S., Australian and Canadian dollars and the Rand is still a factor but at least there has been little further adverse change.

Two more banks are releasing their figures next week: Bank of Scotland and Standard Chartered, both come through on Tuesday with year-end results. The former should improve from last year's £34.25m up to £40m on the basis of higher loan volume and the increased interest rates. At Standard Chartered, analysts predict £177m to £180m against £145.3m. The bulk of this improvement stems from better profits in South Africa and the

Far East.

While 1979 pre-tax profits of fast-recovering Barmac Oil is

expected to reach £50m to £62m compared to £11.1m in 1978 many investors will be looking first for the final dividend rate when the company's preliminary results are announced Wednesday. After a five-year absence, a 1.5p dividend was paid at the interim accompanied by an assurance of at least as much again at the year-end. Hopes for the final run as high as

3.5p.

Estimates of preliminary 1979 net attributable earnings of Rio Tinto-Zinc due Wednesday, vary from £119m to £138m. With results of subsidiaries Codelco, Rio Tinto of Australia, Pabco and Rio Algom already in, attention is focused mostly on U.S. Barco, Rossing and RTZ Industries. Barco and Industries are expected to show slight growth and Rossing to make its first significant contribution. The sterling exchange rate to the U.S., Australian and Canadian dollars and the Rand is still a factor but at least there has been little further adverse change.

Two more banks are releasing their figures next week: Bank of Scotland and Standard Chartered, both come through on Tuesday with year-end results. The former should improve from last year's £34.25m up to £40m on the basis of higher loan volume and the increased interest rates. At Standard Chartered, analysts predict £177m to £180m against £145.3m. The bulk of this improvement stems from better profits in South Africa and the

Far East.

While 1979 pre-tax profits of fast-recovering Barmac Oil is

expected to reach £50m to £62m compared to £11.1m in 1978 many investors will be looking first for the final dividend rate when the company's preliminary results are announced Wednesday. After a five-year absence, a 1.5p dividend was paid at the interim accompanied by an assurance of at least as much again at the year-end. Hopes for the final run as high as

3.5p.

Estimates of preliminary 1979 net attributable earnings of Rio Tinto-Zinc due Wednesday, vary from £119m to £138m. With results of subsidiaries Codelco, Rio Tinto of Australia, Pabco and Rio Algom already in, attention is focused mostly on U.S. Barco, Rossing and RTZ Industries. Barco and Industries are expected to show slight growth and Rossing to make its first significant contribution. The sterling exchange rate to the U.S., Australian and Canadian dollars and the Rand is still a factor but at least there has been little further adverse change.

Two more banks are releasing their figures next week: Bank of Scotland and Standard Chartered, both come through on Tuesday with year-end results. The former should improve from last year's £34.25m up to £40m on the basis of higher loan volume and the increased interest rates. At Standard Chartered, analysts predict £177m to £180m against £145.3m. The bulk of this improvement stems from better profits in South Africa and the

Far East.

While 1979 pre-tax profits of fast-recovering Barmac Oil is

expected to reach £50m to £62m compared to £11.1m in 1978 many investors will be looking first for the final dividend rate when the company's preliminary results are announced Wednesday. After a five-year absence, a 1.5p dividend was paid at the interim accompanied by an assurance of at least as much again at the year-end. Hopes for the final run as high as

3.5p.

Estimates of preliminary 1979 net attributable earnings of Rio Tinto-Zinc due Wednesday, vary from £119m to £138m. With results of subsidiaries Codelco, Rio Tinto of Australia, Pabco and Rio Algom already in, attention is focused mostly on U.S. Barco, Rossing and RTZ Industries. Barco and Industries are expected to show slight growth and Rossing to make its first significant contribution. The sterling exchange rate to the U.S., Australian and Canadian dollars and the Rand is still a factor but at least there has been little further adverse change.

Two more banks are releasing their figures next week: Bank of Scotland and Standard Chartered, both come through on Tuesday with year-end results. The former should improve from last year's £34.25m up to £40m on the basis of higher loan volume and the increased interest rates. At Standard Chartered, analysts predict £177m to £180m against £145.3m. The bulk of this improvement stems from better profits in South Africa and the

Far East.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Dealing in the shares of Antony Gibbs, the small City merchant bank, resumed at 81p, compared with the suspension price of 82p following the long-awaited takeover terms from Hongkong and Shanghai Banking. Shareholders in Antony Gibbs are offered 85p per share cash, or a share-exchange alternative worth 88p. The cash offer values Gibbs £16.4m. The terms are approved by the directors and other family shareholders who have accepted in respect of 32 per cent of the capital. Hongkong and Shanghai already owned 40 per cent of the shares. Prior to the bid approach, made last December, Gibbs' profits had been declining and the shares were trading at less than 50p.

STR and Northern Engineering Industries are adding to their respective interests in the U.S. The former with the \$10m (£4.65m) cash purchase of Adams Carbide of Kenilworth, New Jersey, and the latter by the acquisition, for \$14.5m (£6.7m), of a controlling interest in International Power Machines of Dallas, Texas.

Company	Value of bid for	Value of share** price**	Price before bid	Value of bid	Final	Acc'tee	Final
Company	Value of bid for	Value of share** price**	Price before bid	Value of bid	Final	Acc'tee	Final
Polly Peck	9*	234	74	0.47	Restro Inv.	14/4	
Rowco	50*	41	41	5.00	Bonnerpark	—	
Serck	771*	70	744	32.85	Rockwell	—	
Status Discount	76	66	687	30.4	MFI	—	
Turner (W. & E.)	87	82	451*	9.07	J. Heathrow	—	
Viking Oil	300*	104	810	—	Demiox	—	
Viking Oil	625*	104	910†	—	Sun Co.	—	
Viking Oil	450*	104	104	—	Hunt Int.	—	
Wardle (B.)**	338*	27	284	4.15	Petroleum	—	
					Ferguson Inv.	—	

*All cash offer. †Cash alternative. ‡Partial bid. \$ For capital not already held. 1 Combined market capitalisation. 2 Date on which scheme is expected to become operative. 3 Based on 11/4/80. 4 At suspension. 5 Estimated. 6 Shares and cash. 7 Unconditional. 8 Plus royalties.

INTERIM STATEMENTS

Company	Value of bid for	Value of Market share** price**	Price before bid	Value of bid	Final	Acc'tee	Final
Target	12*	19	11	8.58	Tinnox	—	
Bishopgate Prop.	5*	31†	5†	0.38	Erkly. Hambro	—	
Bowring (C. T.)	156.65	138	141	170.5	Marsh and McLennan	—	
City & Inv. Tr.	173	120	126†	23.80	Guthrie	18/4	
CampAir	103.455	102	98†	57.26	I. C. Gas	—	
Cray Elect.	31*	35	35††	0.93	Thrigmorth. Trst	—	
Dolei Tea	270*	275	215	0.38	Tatgeod	—	
Furness Withy	420*	369	332	112.5	C. Y. Tung	—	
Gibbs (A.)	85*	80	82	9.50	HS & Shanghai	—	
Henders-Kenton	227.55	220	118	14.55	Bank	—	
Hoffnung (S.)	88*	88	744	15.51	Barus Philip	29/4	
Loud & Pervel.	—	—	—	—	Queensway	—	
Poster	500*	470	287††	9.12	Red Ind.	—	
Maple	29.55	30†	27†	8.24	Waring & Gillow	—	
Magn. Edwards	115.455	120	123	4.04	Edwards (L. C.)	—	
Nationwide	—	—	—	—	—	—	
Leisure	6*	84	9	0.66	Ranbridge	—	
Norrrington (H.)	21*	22*	18††	0.93	Burgess (F. H.)	—	
Norwest Holst.	145*	125	118††	5.87	Wexcourt	18/4	
Paradise (R.)	10*	17	24††	8.87	Pullman (R. J.)	—	

(Figures in parentheses are for corresponding period.)
Dividends shown net except where otherwise stated.
*Adjusted for any intervening scrip issue. †Net profit for year available for appropriation. ‡Loss.

Scrip Issues

Barton and Sons: One for ten.
Boustead: One for five.
Dreamland Electrical Appliances: One for one.
Erith and Co.: One for one.
Hewden-Stuart Plant: One for five.
Supra Group: One for eight.

Stewart Wrightson hit by strong sterling

A STATIC second half has left the dividend is raised slightly to 12p (11.65p) net with a final payment of 8.15p.

Turnover: 1979 £1.22m 1978 £1.03m.

Interest and dividends: 1979 £1.03m 1978 £1.03m.

Associates' share: 223 1979 147 1978.

Profits before tax: 19.375 10,530 1979 19.375 10,530 1978.

Minority: 792 774 1979 792 774 1978.

Shareholders' debits: 4,355 4,344 1979 4,355 4,344 1978.

Shipbroking profit of the Galashiels Holdings was adversely affected by the weakness of the dollar, in which the bulk of its income is earned, and were down by 5 per cent.

The ship operating losses accrued to Galbraith during 1979 on the three oil tankers sub-chartered to the partnership of Norwegian shipowners, amounted to £473,000.

Instone Air Transport profit was slightly below last year's record level, but the rural land use interests contributed a profit against a loss previously.

Fountain Forestry again contributed good results, directors say, and the profit rental from the ownership of the Fountain House lease, increased substantially.

Comment
Results from Stewart Wrightson produced no unpleasant surprises so the shares rose 5p to 165p on the report of a modest downturn in profits of 5 per cent.

Interest and investment income provided the underpinning, offsetting £1.27m of the £2m downturn in trading profits.

Insurance broking suffered from the effects of the strength of sterling which lopped off £200,000 from its contribution.

Instone Air Transport profit was affected by the over-capacity in world insurance markets, and the consequent reduction in premium rates which held back the overall growth of income.

Net investment income of the group's insurance companies expanded from £83,000 to £122m, representing the greater part of the 26 per cent profit increase to £1.68m.

Profit of the Lloyd's underwriting agency activity was a little higher than in 1978.

The directors say there is no sign yet of an improvement in insurance market conditions which, together with the high rates in inflation in the UK and U.S., create a difficult environment for the insurance broking industry. They add, however, that the group is well placed to take advantage of any improvement in this background.

Stated group earnings per 20p share are 28.51p (30.37p) and have advanced 11 per cent.

these activities were still under pressure from expenses which were rising at 20 per cent on a constant currency basis. Elsewhere, reduced losses on ship operating, a turnaround into profit on rural land use, and an improved contribution from rentals on the lease of Fountain House have also helped performance. With overcapacity in insurance markets still depressing premium rates, and pegging broking growth, the outlook for the current year is not inspiring. The share yield 8.1 per cent, covered 2.4 times, and stand on a p/e of 5.7.

WITTH second half pre-tax profits virtually unchanged at £1.05m, G. W. Sparrow and Sons, cracker and heavy lifting specialists, advanced £11,000 to a record £18.8m in the full year 1979. Stated earnings per 20p share are up from 23.5p to 25.1p, and on full tax basis 12.7p (12.3p). The final dividend is raised from 14.4p to 15p, making 3.01p against 2.402p. A one-for-two scrip issue is proposed.

Mr A. W. Sparrow, the chairman, says trading results were affected by the severe winter at the start of 1979 and the transport strike. The pre-tax figure

would have been higher but for the unexpected increase in interest rates which became effective in the second half. To keep the company in the forefront of the industry, its investment programme in new cranes during the year totalled £3.92m, and he says there is a further £3.05m worth of cranes on order. The board is satisfied with the trading results from subsidiary in Houston, Texas, and its associated company in Saudi Arabia, both of which made trading profits.

Turnover increased from £14.1m to £16.83m, and profit on

trading operations was up from £1.9m to £2.64m. Disposals of fixed assets produced a profit of £435,000 (£409,000). Depreciation took £1.7m (£1.81m), government grants accounted for £25,000 (£57,000), and interest was higher at £1.69m (£1.19m). Tax charged was down from £119,000 to £91,000.

The chairman says current trading conditions, which have been made worse by the steel strike, indicate that 1980 will be a difficult year. However, with the heavy investment in new cranes, the benefit of which should start to be seen in the second half, the board faces the future with confidence.

Halstead profits drop midway

AFTER jumping from £103,384 to £154,472 in the first half of 1978, pre-tax profits of James Halstead (Holdings) fell back to £61,109 for the six months to December 31, 1979.

Although dissatisfied with this performance, the directors say they are fully confident of the group's ability to make progress and are increasing the interim dividend from 0.412p to 0.5p net.

Last time a total of 2p was paid from full year profits of £1.66m.

The group cannot be expected to escape from the effects of inflation and recession, add the directors, but whatever problems have to be faced, can and will be dealt with.

The six months' surplus is struck after a sharp reduction in interest charges, from £48,601 to £23,378, and depreciation of £17,637 (£12,177). Turnover rose to £10.34m (£9.68m).

Lower tax of £226,357 (£390,330) left the net surplus higher at £83,752 (£86,142) before extraordinary credits of £124,021. Stated earnings per 10p share are 3.85p (3.37p).

The acquisition, on February 15, 1980, of the business of Comway Trailers from the receiver of Ibis Kendal Holdings is considered an important step forward in the group's development

strategy, say the directors. The total cost was £501,000 cash. There is also a new small company in North America.

Activities of the group include the manufacture of PVC floor coverings and mouldings, waterproof and protective clothing, and the processing of textiles for industrial use.

Zenith well down year-end

AFTER AN exceptional debit of £13.00 against £60,000 credit, pre-tax profits of Zenith Carburettor Company came out well down at £224,000 for 1979, compared with £281,000 for 1978.

Turnover rose by £1.4m to £12.64m.

And from earnings per 50p share of 0.4p (0.5p) the dividend is reduced to 1.75p (2.625p) net.

At that half way stage the company reported a loss of £134,000 against profits of £246,000.

The year's results also struck after a £276,000 (£205,000) group handling loss, and included investment income up slightly at

end Television was reported as £0.18m. It should have read £0.81m.

Associated Sprayers scrip

ASSOCIATED SPRAYERS, the garden sprayers concern, is to go ahead with a scrip issue of one-for-one on an ordinary basis instead of its earlier proposed scheme.

The company had planned to increase capital from £500,000 to £1.2m by creating deferred shares of 20p and ordinary shares of 10p.

The board's new proposal should leave 1,284,700 shares unissued after implementation.

It is designed to improve the marketability of shares and to bring capital into line with shareholders' funds. The remaining shares should represent 12.8 per cent of the authorised capital.

Associated Sprayers had earlier postponed an EGM in February which was to have discussed the scrip proposal. This occurred because of objections raised by one of the principal shareholders.

As known, Bambars' pre-tax profit in the year to February 2, 1980, improved 47 per cent to £4.07m (£2.79m). Fixed assets were up from £4.4m to £6.02m, with net current assets at £2.44m (£1.26m).

Meeting, Great Eastern Hotel, Liverpool Street, EC, May 20, at 1.30 pm.

Bambars introduces credit cards

In the year to February 2, 1980, Bambars' sales, the ladies' and children's wear group, increased its retail outlets by 37 to 173, and since the year-end a further two have been opened.

Mr S. Marks, chairman, says in his annual review, that this expansion will continue, and two new subsidiaries have been established, Bambars (Accessories) and Bambars (Shoes).

Group sales to date are well up from the same period last year, and the chairman is optimistic about prospects for the current year.

In an effort to assist consumers to finance their purchases and to provide an added attraction, the company is to introduce its own credit card.

Hutchison Whampoa shows sharp gain

By Philip Bowring in Hong Kong

HUTCHISON WHAMPOA, the Hong Kong-based trading and property group has announced a 44 per cent increase in net attributable profit for the year to December 31, to HK\$331.9m (US\$88.1m). In addition, the group made extraordinary profits of HK\$240.6m, compared with HK\$68.7m in 1978.

Recurrent earnings per ordinary share were 74 cents, against 49 cents. A final dividend of 18 cents has been declared, making a total of 25 cents compared with previous 23 cents. It will absorb HK\$12m.

The dividend on the company's participating preference shares by 7 per cent to HK\$33m. Hutchison is to make a one-for-one scrip issue.

The result was in line with the more optimistic forecasts, and represented a sharp move ahead in the second half. At mid-year, earnings were up 33 per cent to HK\$116m. A major reason for the second half growth was the grant of an occupation permit on a substantial section of the Aberdeen development of the group property subsidiary, Hutchison Properties.

Half of the extraordinary gain came from the sale of the former subsidiary, City and Urban Properties.

A strong cash flow from property developments has, it appears, helped the company to finance the recent acquisitions, for a total of HK\$760m, of minority interests in Hutchison Properties and China Provident.

The First Viking Commodity Trusts

Commodity Offer 31.4 Trust Bid 29.8

Commodity & General Management Co Ltd
10-12 St George's Street
Docks Isle of Man
Tel: 0624 25015

Honda Motor profits soar as U.S. exports expand

By RICHARD C. HANSON IN TOKYO

HONDA MOTOR, the Japanese car group which is developing a car with BL of the U.K., reports a sharp rise in parent company profits for the year ended February, and expects further gains in the current year. Sales for 1979-80 topped Y1.000bn (\$4bn) for the first time.

Net profit for the parent company jumped 48 per cent to a record Y23.7bn (US\$84.4m). Sales, boosted by a strong surge in exports in the latter half, rose 16 per cent to Y1.069bn (US\$42bn). During the last six months of the year, exports rose 23 per cent, to take their highest ever share of total sales, at 73.1 per cent.

Honda's strong showing was partly the result of the steady

depreciation of the yen over the past year, which made exports to the U.S. and Europe highly competitive (and profitable). Car exports to America were up 18 per cent in value, while shipments to Europe gained 17 per cent. The ratio of car exports to domestic sales last year virtually matched the 70:30 ratio of Honda's motorcycle sales, and compared with 64:36 the year before.

The drop in the yen's value has given Honda an exchange profit of Y14.1bn for the year, on parent company level. When the company releases its consolidated statement later next month, the exchange profit will be considerably larger mainly because of sharp gains made by

Honda's American subsidiary. Honda expects that this year will again bring record profits and sales for the parent company. Sales are expected to climb another 20 per cent, to Y1.280bn while net profit should increase by 21 per cent to Y29bn. In August, the company is planning a 10 per cent scrip issue.

The dividend for 1979-80 is

being increased to Y9.50 a share from Y9.00.

Honda already plans to construct a passenger car plant in the U.S., near the site of its motorcycle plant which began production last September. Honda's 10,000 unit car factory will be the first American plant for a Japanese motor company. Work will begin late this year.

Earnings rise at Thomson CFE

By DAVID WHITE IN PARIS

THOMSON CSF the French telecommunications and electronics group marked up a 33 per cent increase in its parent company profit last year after a sharp increase in sales.

Net earnings rose to FF 210m (\$47.9m) from FF 158.3m. The company, which is controlled by the Thomson-Brandt group, is proposing a higher dividend of FF 9.50 net per share, increased from FF 7.80.

Consolidated turnover went up to FF 16.1bn from FF 11.9bn. This figure was partly boosted by the inclusion of Société Thomson Ericsson. On a comparable basis, the sales increase was 20 per cent, the

company said.

Parent company sales soared by 36 per cent in FF 9.4bn, with some 60 per cent of its production being exported. The group as a whole did 43 per cent of its business outside France. Parent company's order book at the end of the year totalled FF 18.8bn (FF 17.5bn).

● **Printemps**, one of France's leading department store and supermarket groups, has confirmed its recovery with improvements in earnings and a resumption of dividend payments.

This, it said, was despite a sluggish trend in business since last spring. Calculated on the

basis of an identical sales area, turnover increased by 8.9 per cent last year, below the inflation rate. Growth has since slowed further with the first quarter of this year.

Parent company net profit rose last year to FF 8.2m (US\$1.8bn) from FF 7.2m and consolidated net earnings are estimated at FF 8.8m as against FF 7.5m in 1978. Before this, the group suffered three consecutive years of losses.

The company, which controls the Prisunic low-price store chain and has 25 per cent in the Euromarche Supermarket group, is proposing to pay a net dividend of FF 5 a share, its first since 1975.

No payout as Ansett income declines

By OUR FINANCIAL STAFF

ANSETT TRANSPORT Industries, the Australian airline, transport and television group, has announced a 3 per cent fall in net profit for the half-year to December 29, to A\$112.0m (US\$12.1m), from A\$115.5m in

the same period of the previous year. Trading revenue, however, rose 16 per cent to A\$350.36m (US\$37.9m), from A\$301.11m. No interim dividend is declared. Last year, there was a payment of 5 cents.

Ansett is 50 per cent owned by News Ltd. and Thomas Nationwide Transport owns just under 50 per cent following recent sales deals. TNT is bidding for the minority interests.

U.S. Ford sees heavy first half losses

By Ian Hargreaves in New York

FORD MOTOR, the second largest U.S. car manufacturer, forecasting heavy worldwide losses for the first half of this year. The company, which is known to be planning major cutbacks and restructuring in its troubled North American car and truck operations, made the disclosures in a final prospectus issued in connection with a recently announced plan to issue new shares to raise additional capital.

A and P, which also reported another loss for its latest fiscal year, said that it is proposing to sell about 12.5m shares as a rights issue in order to raise cash to expand its discount foods subsidiary. The new funds will also provide for the short-term losses and start-up costs related to its Plus store expansion and contribute to improvements in the company's other operations in 1980.

Ford is not making predictions beyond that date, but there seems little possibility of any recovery in its sagging fortunes. In the U.S. car market until its new models are unveiled next October.

If, as some observers are speculating, the company is forced to take a large write-off on plant closures in the next quarter, it could face a loss of an annual loss in comparison with last year's worldwide profit of \$1.2bn.

Only four weeks ago, motor industry leaders had been suggesting that the slump in Detroit's sales might have reached its lowest point, but since then production cuts and plant closures have continued. Next week the industry will close nine of its 40 domestic car assembly plants and nine light truck plants.

Ford is not making predictions beyond that date, but there seems little possibility of any recovery in its sagging fortunes. In the U.S. car market until its new models are unveiled next October.

If, as some observers are speculating, the company is forced to take a large write-off on plant closures in the next quarter, it could face a loss of an annual loss in comparison with last year's worldwide profit of \$1.2bn.

Only four weeks ago, motor industry leaders had been suggesting that the slump in Detroit's sales might have reached its lowest point, but since then production cuts and plant closures have continued. Next week the industry will close nine of its 40 domestic car assembly plants and nine light truck plants.

Ford is not making predictions beyond that date, but there seems little possibility of any recovery in its sagging fortunes. In the U.S. car market until its new models are unveiled next October.

If, as some observers are speculating, the company is forced to take a large write-off on plant closures in the next quarter, it could face a loss of an annual loss in comparison with last year's worldwide profit of \$1.2bn.

Only four weeks ago, motor industry leaders had been suggesting that the slump in Detroit's sales might have reached its lowest point, but since then production cuts and plant closures have continued. Next week the industry will close nine of its 40 domestic car assembly plants and nine light truck plants.

Ford is not making predictions beyond that date, but there seems little possibility of any recovery in its sagging fortunes. In the U.S. car market until its new models are unveiled next October.

If, as some observers are speculating, the company is forced to take a large write-off on plant closures in the next quarter, it could face a loss of an annual loss in comparison with last year's worldwide profit of \$1.2bn.

Only four weeks ago, motor industry leaders had been suggesting that the slump in Detroit's sales might have reached its lowest point, but since then production cuts and plant closures have continued. Next week the industry will close nine of its 40 domestic car assembly plants and nine light truck plants.

Ford is not making predictions beyond that date, but there seems little possibility of any recovery in its sagging fortunes. In the U.S. car market until its new models are unveiled next October.

If, as some observers are speculating, the company is forced to take a large write-off on plant closures in the next quarter, it could face a loss of an annual loss in comparison with last year's worldwide profit of \$1.2bn.

Only four weeks ago, motor industry leaders had been suggesting that the slump in Detroit's sales might have reached its lowest point, but since then production cuts and plant closures have continued. Next week the industry will close nine of its 40 domestic car assembly plants and nine light truck plants.

Ford is not making predictions beyond that date, but there seems little possibility of any recovery in its sagging fortunes. In the U.S. car market until its new models are unveiled next October.

If, as some observers are speculating, the company is forced to take a large write-off on plant closures in the next quarter, it could face a loss of an annual loss in comparison with last year's worldwide profit of \$1.2bn.

Only four weeks ago, motor industry leaders had been suggesting that the slump in Detroit's sales might have reached its lowest point, but since then production cuts and plant closures have continued. Next week the industry will close nine of its 40 domestic car assembly plants and nine light truck plants.

Ford is not making predictions beyond that date, but there seems little possibility of any recovery in its sagging fortunes. In the U.S. car market until its new models are unveiled next October.

If, as some observers are speculating, the company is forced to take a large write-off on plant closures in the next quarter, it could face a loss of an annual loss in comparison with last year's worldwide profit of \$1.2bn.

Only four weeks ago, motor industry leaders had been suggesting that the slump in Detroit's sales might have reached its lowest point, but since then production cuts and plant closures have continued. Next week the industry will close nine of its 40 domestic car assembly plants and nine light truck plants.

Ford is not making predictions beyond that date, but there seems little possibility of any recovery in its sagging fortunes. In the U.S. car market until its new models are unveiled next October.

If, as some observers are speculating, the company is forced to take a large write-off on plant closures in the next quarter, it could face a loss of an annual loss in comparison with last year's worldwide profit of \$1.2bn.

Only four weeks ago, motor industry leaders had been suggesting that the slump in Detroit's sales might have reached its lowest point, but since then production cuts and plant closures have continued. Next week the industry will close nine of its 40 domestic car assembly plants and nine light truck plants.

Ford is not making predictions beyond that date, but there seems little possibility of any recovery in its sagging fortunes. In the U.S. car market until its new models are unveiled next October.

If, as some observers are speculating, the company is forced to take a large write-off on plant closures in the next quarter, it could face a loss of an annual loss in comparison with last year's worldwide profit of \$1.2bn.

Only four weeks ago, motor industry leaders had been suggesting that the slump in Detroit's sales might have reached its lowest point, but since then production cuts and plant closures have continued. Next week the industry will close nine of its 40 domestic car assembly plants and nine light truck plants.

Ford is not making predictions beyond that date, but there seems little possibility of any recovery in its sagging fortunes. In the U.S. car market until its new models are unveiled next October.

Tengelmann set to take full control of A and P

By STEWART FLEMING IN NEW YORK

THE TENGELMANN Group of

West Germany could increase its stake in the Great Atlantic and Pacific Tea Company (A and P), to over 30 per cent, as a result of the struggling supermarket concern's decision to issue new shares to raise additional capital.

A and P, which also reported another loss for its latest fiscal year, said that it is proposing to sell about 12.5m shares as a rights issue in order to raise cash to expand its discount

foods subsidiary. The new funds will also provide for the short-term losses and start-up costs related to its Plus store expansion and contribute to improvements in the company's other operations in 1980.

A and P's share price is currently around \$51, so the implication of the Tengelmann commitment is that unless other shareholders subscribe fully, additional shares will be sold up to a combined total of \$50m.

A and P's share price is currently around \$51, so the implication of the Tengelmann commitment is that unless other shareholders subscribe fully, additional shares will be sold up to a combined total of \$50m.

A and P's share price is currently around \$51, so the implication of the Tengelmann commitment is that unless other shareholders subscribe fully, additional shares will be sold up to a combined total of \$50m.

A and P's share price is currently around \$51, so the implication of the Tengelmann commitment is that unless other shareholders subscribe fully, additional shares will be sold up to a combined total of \$50m.

A and P's share price is currently around \$51, so the implication of the Tengelmann commitment is that unless other shareholders subscribe fully, additional shares will be sold up to a combined total of \$50m.

A and P's share price is currently around \$51, so the implication of the Tengelmann commitment is that unless other shareholders subscribe fully, additional shares will be sold up to a combined total of \$50m.

A and P's share price is currently around \$51, so the implication of the Tengelmann commitment is that unless other shareholders subscribe fully, additional shares will be sold up to a combined total of \$50m.

A and P's share price is currently around \$51, so the implication of the Tengelmann commitment is that unless other shareholders subscribe fully, additional shares will be sold up to a combined total of \$50m.

A and P's share price is currently around \$51, so the implication of the Tengelmann commitment is that unless other shareholders subscribe fully, additional shares will be sold up to a combined total of \$50m.

A and P's share price is currently around \$51, so the implication of the Tengelmann commitment is that unless other shareholders subscribe fully, additional shares will be sold up to a combined total of \$50m.

A and P's share price is currently around \$51, so the implication of the Tengelmann commitment is that unless other shareholders subscribe fully, additional shares will be sold up to a combined total of \$50m.

A and P's share price is currently around \$51, so the implication of the Tengelmann commitment is that unless other shareholders subscribe fully, additional shares will be sold up to a combined total of \$50m.

A and P's share price is currently around \$51, so the implication of the Tengelmann commitment is that unless other shareholders subscribe fully, additional shares will be sold up to a combined total of \$50m.

A and P's share price is currently around \$51, so the implication of the Tengelmann commitment is that unless other shareholders subscribe fully, additional shares will be sold up to a combined total of \$50m.

A and P's share price is currently around \$51, so the implication of the Tengelmann commitment is that unless other shareholders subscribe fully, additional shares will be sold up to a combined total of \$50m.

A and P's share price is currently around \$51, so the implication of the Tengelmann commitment is that unless other shareholders subscribe fully, additional shares will be sold up to a combined total of \$50m.

A and P's share price is currently around \$51, so the implication of the Tengelmann commitment is that unless other shareholders subscribe fully, additional shares will be sold up to a combined total of \$50m.

A and P's share price is currently around \$51, so the implication of the Tengelmann commitment is that unless other shareholders subscribe fully, additional shares will be sold up to a combined total of \$50m.

A and P's share price is currently around \$51, so the implication of the Tengelmann commitment is that unless other shareholders subscribe fully, additional shares will be sold up to a combined total of \$50m.

A and P's share price is currently around \$51, so the implication of the Tengelmann commitment is that unless other shareholders subscribe fully, additional shares will be sold up to a combined total of \$50m.

A and P's share price is currently around \$51, so the implication of the Tengelmann commitment is that unless other shareholders subscribe fully, additional shares will be sold up to a combined total of \$50m.

A and P's share price is currently around \$51, so the implication of the Tengelmann commitment is that unless other shareholders subscribe fully, additional shares will be sold up to a combined total of \$50m.

A and P's share price is currently around \$51, so the implication of the Tengelmann commitment is that unless other shareholders subscribe fully, additional shares will be sold up to a combined total of \$50m.

LONDON STOCK EXCHANGE

Fresh Government funding fails to halt Gilt strength Short tap sold for third consecutive day—Equities up

Account Dealing Dates
Options
First Declara. Last Account
Dealing Dates. Dealings P.M.
Mar. 22 Apr. 19 April 11 April 21
Apr. 14 19 24 April 25 May 6
Apr. 28 May 8 May 9 May 19
* New time dealings may take place from 8 am two business days earlier.

The long holiday Account came to its close yesterday with Gilt-edged securities seemingly poised for further strength, but with leading equities overshadowed and finding even limited forward progress quite a struggle. Government stocks were encouraged not only by last month's slackening in monetary growth but also by the authorities' additional layer of tempo, which facilitated the clearing of funds for sale and repurchase of Gilt's for amounts equivalent to 1 per cent of each bank's eligible liabilities.

Demand was such that the Government broker sold further supplies of the short tap. Existing 131 per cent 1982, for the third consecutive day, accepting bids of 951/2 and 952/3 to remain a seller at the latter price. Overseas and domestic funds were going into most areas of the market and thoughts were strengthening that the projected fall in UK interest rates could take place sooner than previously envisaged.

Expectations of new Government funding were confirmed at 3.30 pm with the announcement of £1bn of Treasury 131 per cent 2004-08 at a minimum tender price of £95, payable £30 on application. Dealings were halted to assess details of the stock and

when resumed the market fully maintained its recent strong tone and closed with gains extending to 1. The FT Government Securities index closed 0.7 up at 86.16, making a rise of 2.2 per cent over the short trading week. A continuation of the trend next week should ensure a sizeable application for the new long tap on Thursday.

Little of the enthusiasm for Gilt's spilled over into the equity sectors, although Properties benefited from publicity given to a broker's views on the sector's potential. Leading industrials were tending to surrender small gains early in the afternoon but went forward after 3.30 pm when dealings were allowed without penalty for the Account beginning on Monday. The FT 30-share index reflected the late improvement with a closing gain of 3 at 435.6, after being only 12 harder at 3.00 pm.

Traded options finished the long Account in subdued mood and only 265 contracts were arranged for a short week's daily average of 433.

Stewart Wrightson up

Stewart Wrightson featured Insurance brokers with a rise of 5 to 195, after 197p, in response to the better-than-expected preliminary results. Elsewhere, Hambo Life touched 168p on the annual figures before easing late to close 2 down on balance at 165p. Equity and Law put on 4 to 204p as did Prudential, to 178p. Pearl hardened 2 more to 305p on further consideration of the recent good results. Composites were inclined harder with Eagle Star, 184p, and GRE, 234p, up 4

apiece.

The major clearing banks ended the week and Account on a quietly firm note. Lloyds improved 5 to 300p and Midland ended a similar amount higher at 323p. Bank of Scotland also rose 5, to 247p, ahead of Tuesday's preliminary results. A firm market of late following news that the National Enterprise Board has agreed to discuss terms over the bank's £15m cash offer for Fairley Holdings. Hambo rose 3 more to 342p with semi-final yesterday helped by the encouraging results reported by the associated Hambo Life Assurance.

Business in leading Buildings was sparse, but Tarmac hardened 3 to 216p and Blue Circle hardened a couple of pence to 305p. Recent trading statements stimulated a certain amount of two-way business in Tibury Contracting and Brown & Jackson; the former closed 7 higher at the day's best of 187p, while the latter finished unaltered at 170p, after 165p. French Kuhl responded to a Press mention with a gain of a penny at 36p.

Among leading Chemicals, Fisons firm 5 to 274p following publication of the annual report. Business in ICI was limited, but the price improved a couple of pence to 372p. Elsewhere, James Hulme shed a penny to 41p on the lower half-yearly profits, but Catalyst added that much to 305p on preliminary results. William Ransome lacked support and, in a thin market, gave up 15 to 125p. Brent were quoted at 122p ex the right issue; the new nil paid shares opened at 94p premium, but drifted down to 90p premium.

Burton down again

Comment on the disappointing mid-term statement prompted further weakness in Burton which fell 8 to record a week's loss of 14 at 113p. The Warners shed 3 more to 185p. Other Share Majors finished a quiet day with a similar amount of gains. Mathercare continued to respond to favourable Press comment and, rose 4 to 230p, while British Home, 267p, and GUS "A" 350p, both added around 3. Among secondary counters, a broker's recommendation helped Dixons Photographic; 2 up at 161p, and Freemans, a similar amount better at 122p, but Gratton gave up 2 to 76p ahead of results which are expected shortly.

Buying in anticipation of next Tuesday's preliminary results left Bowthorpe 5 higher at 109p, while continued demand in a limited market left Ferranti 10 higher at 282p. Among other secondary issues, Aran were supported at 300p, up 10, while

in Electricals, scattered support

lifted

to 203p, but Muirhead

headed

higher

recently

on take-

over

hopes

encountered

end-

ing

and

mid-

term

re-

turn

and

Have you found out about investment with

FIDELITY

Full details from
Fidelity International Management Ltd,
Buckingham House, 62-63 Queen Street,
London EC4R 1AD. Tel: 01-248 4891.

BRITISH FUNDS

Stock Pts. % Net Total
Held. Low Stock Pts. % Net Total
Held.

"Shorts" (Lives up to Five Years)

973 975 Treasury 5% 1984 991.50+1.5 16.01
952 955 Treasury 5% 1987 971.50+1.5 16.01
962 965 Treasury 5% 1990 951.50+1.5 16.01
963 966 Treasury 5% 1993 951.50+1.5 16.01
964 967 Treasury 5% 1996 951.50+1.5 16.01
965 968 Treasury 5% 1999 951.50+1.5 16.01
966 969 Treasury 5% 2002 951.50+1.5 16.01
967 970 Treasury 5% 2005 951.50+1.5 16.01
968 971 Treasury 5% 2008 951.50+1.5 16.01
969 972 Treasury 5% 2011 951.50+1.5 16.01
970 973 Treasury 5% 2014 951.50+1.5 16.01
971 974 Treasury 5% 2017 951.50+1.5 16.01
972 975 Treasury 5% 2020 951.50+1.5 16.01
973 976 Treasury 5% 2023 951.50+1.5 16.01
974 977 Treasury 5% 2026 951.50+1.5 16.01
975 978 Treasury 5% 2029 951.50+1.5 16.01
976 979 Treasury 5% 2032 951.50+1.5 16.01
977 980 Treasury 5% 2035 951.50+1.5 16.01
978 981 Treasury 5% 2038 951.50+1.5 16.01
979 982 Treasury 5% 2041 951.50+1.5 16.01
980 983 Treasury 5% 2044 951.50+1.5 16.01
981 984 Treasury 5% 2047 951.50+1.5 16.01
982 985 Treasury 5% 2050 951.50+1.5 16.01
983 986 Treasury 5% 2053 951.50+1.5 16.01
984 987 Treasury 5% 2056 951.50+1.5 16.01
985 988 Treasury 5% 2059 951.50+1.5 16.01
986 989 Treasury 5% 2062 951.50+1.5 16.01
987 990 Treasury 5% 2065 951.50+1.5 16.01
988 991 Treasury 5% 2068 951.50+1.5 16.01
989 992 Treasury 5% 2071 951.50+1.5 16.01
990 993 Treasury 5% 2074 951.50+1.5 16.01
991 994 Treasury 5% 2077 951.50+1.5 16.01
992 995 Treasury 5% 2080 951.50+1.5 16.01
993 996 Treasury 5% 2083 951.50+1.5 16.01
994 997 Treasury 5% 2086 951.50+1.5 16.01
995 998 Treasury 5% 2089 951.50+1.5 16.01
996 999 Treasury 5% 2092 951.50+1.5 16.01
997 998 Treasury 5% 2095 951.50+1.5 16.01
998 999 Treasury 5% 2098 951.50+1.5 16.01
999 1000 Treasury 5% 2101 951.50+1.5 16.01
1000 1001 Treasury 5% 2104 951.50+1.5 16.01
1001 1002 Treasury 5% 2107 951.50+1.5 16.01
1002 1003 Treasury 5% 2110 951.50+1.5 16.01
1003 1004 Treasury 5% 2113 951.50+1.5 16.01
1004 1005 Treasury 5% 2116 951.50+1.5 16.01
1005 1006 Treasury 5% 2119 951.50+1.5 16.01
1006 1007 Treasury 5% 2122 951.50+1.5 16.01
1007 1008 Treasury 5% 2125 951.50+1.5 16.01
1008 1009 Treasury 5% 2128 951.50+1.5 16.01
1009 1010 Treasury 5% 2131 951.50+1.5 16.01
1010 1011 Treasury 5% 2134 951.50+1.5 16.01
1011 1012 Treasury 5% 2137 951.50+1.5 16.01
1012 1013 Treasury 5% 2140 951.50+1.5 16.01
1013 1014 Treasury 5% 2143 951.50+1.5 16.01
1014 1015 Treasury 5% 2146 951.50+1.5 16.01
1015 1016 Treasury 5% 2149 951.50+1.5 16.01
1016 1017 Treasury 5% 2152 951.50+1.5 16.01
1017 1018 Treasury 5% 2155 951.50+1.5 16.01
1018 1019 Treasury 5% 2158 951.50+1.5 16.01
1019 1020 Treasury 5% 2161 951.50+1.5 16.01
1020 1021 Treasury 5% 2164 951.50+1.5 16.01
1021 1022 Treasury 5% 2167 951.50+1.5 16.01
1022 1023 Treasury 5% 2170 951.50+1.5 16.01
1023 1024 Treasury 5% 2173 951.50+1.5 16.01
1024 1025 Treasury 5% 2176 951.50+1.5 16.01
1025 1026 Treasury 5% 2179 951.50+1.5 16.01
1026 1027 Treasury 5% 2182 951.50+1.5 16.01
1027 1028 Treasury 5% 2185 951.50+1.5 16.01
1028 1029 Treasury 5% 2188 951.50+1.5 16.01
1029 1030 Treasury 5% 2191 951.50+1.5 16.01
1030 1031 Treasury 5% 2194 951.50+1.5 16.01
1031 1032 Treasury 5% 2197 951.50+1.5 16.01
1032 1033 Treasury 5% 2200 951.50+1.5 16.01
1033 1034 Treasury 5% 2203 951.50+1.5 16.01
1034 1035 Treasury 5% 2206 951.50+1.5 16.01
1035 1036 Treasury 5% 2209 951.50+1.5 16.01
1036 1037 Treasury 5% 2212 951.50+1.5 16.01
1037 1038 Treasury 5% 2215 951.50+1.5 16.01
1038 1039 Treasury 5% 2218 951.50+1.5 16.01
1039 1040 Treasury 5% 2221 951.50+1.5 16.01
1040 1041 Treasury 5% 2224 951.50+1.5 16.01
1041 1042 Treasury 5% 2227 951.50+1.5 16.01
1042 1043 Treasury 5% 2230 951.50+1.5 16.01
1043 1044 Treasury 5% 2233 951.50+1.5 16.01
1044 1045 Treasury 5% 2236 951.50+1.5 16.01
1045 1046 Treasury 5% 2239 951.50+1.5 16.01
1046 1047 Treasury 5% 2242 951.50+1.5 16.01
1047 1048 Treasury 5% 2245 951.50+1.5 16.01
1048 1049 Treasury 5% 2248 951.50+1.5 16.01
1049 1050 Treasury 5% 2251 951.50+1.5 16.01
1050 1051 Treasury 5% 2254 951.50+1.5 16.01
1051 1052 Treasury 5% 2257 951.50+1.5 16.01
1052 1053 Treasury 5% 2260 951.50+1.5 16.01
1053 1054 Treasury 5% 2263 951.50+1.5 16.01
1054 1055 Treasury 5% 2266 951.50+1.5 16.01
1055 1056 Treasury 5% 2269 951.50+1.5 16.01
1056 1057 Treasury 5% 2272 951.50+1.5 16.01
1057 1058 Treasury 5% 2275 951.50+1.5 16.01
1058 1059 Treasury 5% 2278 951.50+1.5 16.01
1059 1060 Treasury 5% 2281 951.50+1.5 16.01
1060 1061 Treasury 5% 2284 951.50+1.5 16.01
1061 1062 Treasury 5% 2287 951.50+1.5 16.01
1062 1063 Treasury 5% 2290 951.50+1.5 16.01
1063 1064 Treasury 5% 2293 951.50+1.5 16.01
1064 1065 Treasury 5% 2296 951.50+1.5 16.01
1065 1066 Treasury 5% 2299 951.50+1.5 16.01
1066 1067 Treasury 5% 2302 951.50+1.5 16.01
1067 1068 Treasury 5% 2305 951.50+1.5 16.01
1068 1069 Treasury 5% 2308 951.50+1.5 16.01
1069 1070 Treasury 5% 2311 951.50+1.5 16.01
1070 1071 Treasury 5% 2314 951.50+1.5 16.01
1071 1072 Treasury 5% 2317 951.50+1.5 16.01
1072 1073 Treasury 5% 2320 951.50+1.5 16.01
1073 1074 Treasury 5% 2323 951.50+1.5 16.01
1074 1075 Treasury 5% 2326 951.50+1.5 16.01
1075 1076 Treasury 5% 2329 951.50+1.5 16.01
1076 1077 Treasury 5% 2332 951.50+1.5 16.01
1077 1078 Treasury 5% 2335 951.50+1.5 16.01
1078 1079 Treasury 5% 2338 951.50+1.5 16.01
1079 1080 Treasury 5% 2341 951.50+1.5 16.01
1080 1081 Treasury 5% 2344 951.50+1.5 16.01
1081 1082 Treasury 5% 2347 951.50+1.5 16.01
1082 1083 Treasury 5% 2350 951.50+1.5 16.01
1083 1084 Treasury 5% 2353 951.50+1.5 16.01
1084 1085 Treasury 5% 2356 951.50+1.5 16.01
1085 1086 Treasury 5% 2359 951.50+1.5 16.01
1086 1087 Treasury 5% 2362 951.50+1.5 16.01
1087 1088 Treasury 5% 2365 951.50+1.5 16.01
1088 1089 Treasury 5% 2368 951.50+1.5 16.01
1089 1090 Treasury 5% 2371 951.50+1.5 16.01
1090 1091 Treasury 5% 2374 951.50+1.5 16.01
1091 1092 Treasury 5% 2377 951.50+1.5 16.01
1092 1093 Treasury 5% 2380 951.50+1.5 16.01
1093 1094 Treasury 5% 2383 951.50+1.5 16.01
1094 1095 Treasury 5% 2386 951.50+1.5 16.01
1095 1096 Treasury 5% 2389 951.50+1.5 16.01
1096 1097 Treasury 5% 2392 951.50+1.5 16.01
1097 1098 Treasury 5% 2395 951.50+1.5 16.01
1098 1099 Treasury 5% 2398 951.50+1.5 16.01
1099 1100 Treasury 5% 2401 951.50+1.5 16.01
1100 1101 Treasury 5% 2404 951.50+1.5 16.01
1101 1102 Treasury 5% 2407 951.50+1.5 16.01
1102 1103 Treasury 5% 2410 951.50+1.5 16.01
1103 1104 Treasury 5% 2413 951.50+1.5 16.01
1104 1105 Treasury 5% 2416 951.50+1.5 16.01
1105 1106 Treasury 5% 2419 951.50+1.5 16.01
1106 1107 Treasury 5% 2422 951.50+1.5 16.01
1107 1108 Treasury 5% 2425 951.50+1.5 16.01
1108 1109 Treasury 5% 2428 951.50+1.5 16.01
1109 1110 Treasury 5% 2431 951.50+1.5 16.01
1110 1111 Treasury 5% 2434 951.50+1.5 16.01
1111 1112 Treasury 5% 2437 951.50+1.5 16.01
1112 1113 Treasury 5% 2440 951.50+1.5 16.01
1113 1114 Treasury 5% 2443 951.50+1.5 16.01
1114 1115 Treasury 5% 2446 951.50+1.5 16.01
1115 1116 Treasury 5% 2449 951.50+1.5 16.01
1116 1117 Treasury 5% 2452 951.50+1.5 16.01
1117 1118 Treasury 5% 2455 951.50+1.5 16.01
1118 1119 Treasury 5% 2458 951.50+1.5 16.01
1119 1120 Treasury 5% 2461 951.50+1.5 16.01
1120 1121 Treasury 5% 2464 951.50+1.5 16.01
1121 1122 Treasury 5% 2467 951.50+1.5 16.01
1122 1123 Treasury 5% 2470 951.50+1.5 16.01
1123 1124 Treasury 5% 2473 951.50+1.5 16.01
1124 1125 Treasury 5% 2476 951.50+1.5 16.01
1125 1126 Treasury 5% 2479 951.50+1.5 16.01
1126 1127 Treasury 5% 2482 951.50+1.5 16.01
1127 1128 Treasury 5% 2485 951.50+1.5 16.01
1128 1129 Treasury 5% 2488 951.50+1.5 16.01
1129 1130 Treasury 5% 2491 951.50+1.5 16.01
1130 1131 Treasury 5% 2494 951.50+1.5 16.01
1131 1132 Treasury 5% 2497 951.50+1.5 16.01
1132 1133 Treasury 5% 2500 951.50+1.5 16.01
1133 1134 Treasury 5% 2503 951.50+1.5 16.01
1134 1135 Treasury 5% 2506 951.50+1.5 16.01
1135 1136 Treasury 5% 2509 951.50+1.5 16.01
1136 1137 Treasury 5% 2512 951.50+1.5 16.01
1137 1138 Treasury 5% 2515 951.50+1.5 16.01
1138 1139 Treasury 5% 2518 951.50+1.5 16.01
1139 1140 Treasury 5% 2521 951.50+1.5 16.01
1140 1141 Treasury 5% 2524 951.50+1.5 16.01
1141 1142 Treasury 5% 2527 951.50+1.5 16.01
1142 1143 Treasury 5% 2530 951.50+1.5 16.01
1143 1144 Treasury 5% 2533 951.50+1.5 16.01
1144 1145 Treasury 5% 2536 951.50+1.5 16.01
1145 1146 Treasury 5% 2539 951.50+1.5 16.01
1146 1147 Treasury 5% 2542 951.50+1.5 16.01
1147 1148 Treasury 5% 2545 951.50+1.5 16.01
1148 1149 Treasury 5% 2548 951.50+1.5 16.01
1149 1150 Treasury 5% 2551 951.50+1.5 16.01
1150 1151 Treasury 5% 2554 951.50+1.5 16.01
1151 1152 Treasury 5% 2557 951.50+1.5 16.01
1152 1153 Treasury 5% 2560 951.50+1.5 16.01
1153 1154 Treasury 5% 2563 951.50+1.5 16.01
1154 1155 Treasury 5% 2566 951.50+1.5 16.01
1155 1156 Treasury 5% 2569 951.50+1.5 16.01
1156 1157 Treasury 5% 2572 951.50+1.5 16.01
1157 1158 Treasury 5% 2575 951.50+1.5 16.01
1158 1159 Treasury 5% 2578 951.50+1.5 16.01
1159 1160 Treasury 5% 2581 951.50+1.5 16.01
1160 1161 Treasury 5% 2584 951.50+1.5 16.01
1161 1162 Treasury 5% 2587 951.50+1.5 1

City Offices
Hampton & Sons
01-236 7831

FINANCIAL TIMES

Saturday April 12 1980

Have you found out about
investment with
FIDELITY?
Full details from
Fidelity International Management Ltd.,
100 Bishopsgate, London EC2M 3CB, or
London EC4R 1AL. Tel: 01-345 4891.

MAN OF THE WEEK

Steering a new course

BY RAY DAFTER

SIR DAVID STEEL gives the impression of being someone who could play a masterful though a necessarily short-game of chess while making a parachute jump.

As chairman of British Petroleum, one of the UK's biggest and most profitable industrial concerns, he is able to remain calm, patient and analytical in the most trying and turbulent circumstances.

This is just as well, for in the past year or so the company has seen, in his own words, a "traumatic" change in its oil trading business. One after another, traditional suppliers of BP's crude oil—notably Iran, Nigeria and Kuwait—have suspended or drastically reduced deliveries.

In 1975, when Sir David became chairman, BP's crude oil supplies were exactly double the company's refinery throughput. It enabled the group to sell about 1.7m barrels a day of crude oil to other companies. To put this into perspective, 1.7m barrels is about the current level of production from the whole of the UK sector of the North Sea.

All that has changed. BP is now, in industry parlance, "crude short"; it is forced to buy spot cargoes in order to

Volkswagen go-ahead on second U.S. plant

BY KEVIN DONE IN FRANKFURT

VOLKSWAGEN is to go ahead with building a second car plant in the U.S. The plant was given approval by the company's supervisory board yesterday. It will produce the popular Rabbit car (the Golf in Europe) and is expected to have an initial production capacity of about 800,000 a day.

The VW group, the largest motor car manufacturer in West Germany, said yesterday that Sterling Heights, near Detroit, Michigan, was the preferred site for the project, which is expected to involve an investment of some DM 500m.

Negotiations with the state authorities are still to be completed, but the U.S. House of Representatives has already given the go-ahead for the site, which currently houses a rocket factory, to be transferred to

Volkswagen. Construction should be completed by the second half of 1982, and the factory will employ about 4,000 workers.

Volkswagen's existing U.S. plant is at Westmoreland, near Pittsburgh, Pennsylvania. It can produce more than 1,000 Rabbit cars a day.

The company is engaged on an ambitious expansion plan in America, through which it hopes to capture about 5 per cent of the U.S. market by 1984-85, selling about 500,000 cars a year.

Its sales in the U.S. reached 560,000 cars in both 1978 and 1979, but plunged with the declining value of the dollar against the D-mark and the falling popularity of the old Beetle model.

Last year it pushed the volume of car sales up again by

22 per cent to 292,017 units, compared with 239,300 in 1978. This year the group expects sales to rise by a further 10.5 per cent to some 325,000 units. Of this the present Pennsylvania plant will account for about 225,000 vehicles.

It proposes to increase its dividend to DM 10 a share from DM 9. This reflects the very successful year it enjoyed in 1979, when group sales increased from DM 26.7bn to an estimated DM 30bn.

Group profits for the full year have not yet been announced, but at the end of the first nine months net earnings were up by 16.3 per cent to DM 436m, against DM 375m in the corresponding period of 1978.

Editorial comment, Page 16
First half losses for Ford in U.S.

City committees merged

BY CHRISTINE MOIR

CITY reaction to Sir Harold Wilson's report on the financial institutions, which should be published in the summer, is likely to be channelled through a high-powered committee created by Mr Gordon Richardson, Governor of the Bank of England.

Yesterday Mr Richardson announced that he was merging two existing committees—the City Capital Markets Committee and the City Company Law Committee. The new City Capital Markets and Company Law Committee will be chaired by Mr Martin Jacobson, vice-chairman of Kleinwort Benson. It will act, said Mr Richardson,

son, "as a focal point within the City, for views concerning current issues and future developments, including company law matters, which affect the domestic and international capital markets in the City."

Most members served on the two earlier committees, formerly chaired by Mr Ian Fraser and Mr John Hull, which spearheaded some of the City's most important statements on company law and securities matters during the mid-1970s. These included representations to Government on employee participation in company affairs, and the need for legal constraint on insider

dealing.

When the Council for the Securities Industry was established, it took over the supervisory role of the two committees. But Mr Richardson clearly believes that there remains a need for an independent body to assess new developments and issues.

While not committing himself to specific issues which might be studied by the committee, Mr Jacobson accepted that one of its first tasks would probably be to assess any recommendations in the Wilson report for tighter control over the pension funds or other investing institutions.

Silver-backed bonds a sell-out

BY IAN HARGREAVES IN NEW YORK

THE FIRST issue of silver-backed bonds in the U.S. has sold out within a day, but the issue was reduced from \$100m (£52m) to \$25m because of the recent sharp fall in the price of silver.

Drexel Burnham Lambert, which handled the sale on behalf of Sunshine Mining of Dallas, said there had been far more demand for the bonds than it had been able to meet.

The size of the issue was reduced, however, because the recent collapse in the silver price from around \$50 to \$15.50 an ounce had greatly increased the volume of silver Sunshine would have needed to provide as security for the bonds.

The 15-year bonds carry a coupon of 8½ per cent. Each \$1,000 certificate can be redeemed for the greater of \$1,000 or 50 ounces of silver, which yesterday was worth less than \$800.

keep its refineries fully operational. It is seeking to find new sources of oil through negotiations—with British National Oil Corporation, for instance—through acquisitions and exploration.

And yet the supply problem has been masked by the apparent unprecedented profitability of BP. Sir David concedes that on paper, the profits last year were "humper"; a net income of £1.6bn showing a return on capital, on an historic cost basis, of almost 25 per cent. When recalculated on a current cost basis the return is seen to be only 9.7 per cent.

His style of leadership is in contrast to some of the more flamboyant members of the top oilmen's club, the sort epitomised by the Dallas television series. It is typical of him that he thought the colours adopted for the 1978 annual report—a pleasant combination of pale and dark blues—were too bright. The 1979 report is contained in covers of dominant beige.

Unlike the direct and at times domineering control of some past BP chairmen—Sir Eric Drake and Sir Maurice Bridgeman in particular—Sir David prefers the committee system. He is happy to be surrounded by specialists and has been particularly anxious to encourage non-executive directors to take a more active role in the company. "He likes a fair measure of wide ranging discussion. He doesn't interfere in what people are doing either," commented one of his senior colleagues.

"He never seems to argue during negotiations, but he usually seems to get his own way," commented another.

Sir David, a lawyer by training and a strong family man in his private life, is due to retire in November next year. Then, in the tradition of BP, he will be "kicked upstairs" to the 38th floor of lofty Britannia House, the group's head-quarters, where past chairmen keep offices of their own.

Before then, however, he plans to continue steering BP on its new course: away from its reliance on Middle East oil; into new oil, gas and coal producing areas. In spite of the company's recent supply problems Sir David is determined to keep the company firmly in the oil market.

He is against BP adopting some of the wilder diversification projects taken on by some of the U.S. oil companies. "We are not going to buy a circus," Sir David said this week.

But then, it is hard to see him as a colourful vocal ring master.



The scaling down of the bond issue, whose proceeds Sunshine intends to use for exploration and development work, reflects the now sober attitude in the silver markets. The markets were badly burned two weeks ago when the silver price tumbled, setting off a brief panic

in Wall Street and a series of events which threatened seriously to impair the finances of several brokerage houses.

The figure at the centre of this panic, Mr. Neilson Bunker Hunt, whose associates are thought to own 200m ounces of silver, says he is still planning to issue silver-backed bonds of his own worth \$500m.

Wall Street traders, however, point out that Mr. Hunt has not provided any details of his proposed issue and has confined himself to vague statements of intent from spokesmen in Paris.

Bache Halsey Stuart Shields, the securities firm whose margin calls on Mr. Hunt triggered the panic and in which Mr. Hunt himself has a financial stake, yesterday published large advertisements in the U.S. financial press assuring the public that the Hunt affair had shown the company's strength in meeting some unexpected challenges.

The scaling down of the bond issue, whose proceeds Sunshine intends to use for exploration and development work, reflects the now sober attitude in the silver markets. The markets were badly burned two weeks ago when the silver price tumbled, setting off a brief panic

Peril of Greek and convenience ships

BY WILLIAM HALL, SHIPPING CORRESPONDENT

GREEK SHIPS, and vessels registered in flag-of-convenience countries such as Liberia and Panama, are far more accident-prone than ships belonging to traditional maritime nations such as Britain, says a study just published.

The study, by London shipping consultants H. P. Drewry, comes at a time of mounting shipping losses and is bound to increase support for much tighter official controls on the world shipping community.

Drewry analyses the casualty rate of ships between 1970 and 1978. It finds that tanker losses of Panama, for example, are more than four times the rate of the individual UK, Japanese, and Norwegian fleets.

Liberia's experience is not quite so bad in the eight-year

period. Even so, the proportion of her tanker fleet lost is four times as great as the UK's.

Britain's rate, on average 0.09 per cent of its fleet a year, while Liberia, with the world's biggest flag-of-convenience fleet, lost an average of 0.4 per cent.

Greek ships come out worst in the analysis. In the eight years Greek losses were approximately 1 per cent of the tanker fleet a year.

The figures are increased by heavy Greek losses in 1978. But even if these are taken out, average Greek tanker losses are more than double the world average of 0.37 per cent.

Mr Denis Stonebridge, who compiled the report, says the problem of sub-standard ships has become much more serious.

While the vast majority of flag-of-convenience ships were well maintained, a small proportion were run by people who had no idea how to operate them.

Performance of "Open Registry" Bulk Fleets. H. P. Drewry (shipping consultants), 34 Brook Street, London, W1. £40. Battles at sea, Page 4.

Continued from Page 1

Giscard

Continued from Page 1

ceilings would be set for net budget contributions, the Treaty of Rome which established the EEC should have to be modified.

Such a edition was not in line with France's policy, but it was "conceivable" if the other member countries were in favour of it, the President said. It would not affect France's financial position, because it was not a net beneficiary from the budget.

President Giscard stressed that any fundamental modification of the Community's financing system, entailing amendments to the treaty, would first have to be proposed by the Commission and then examined by the EEC Council of Ministers.

Last, but not least, any changes to the treaty would have to be ratified by all national parliaments.

On the controversial problem of France's ban of British lamb

imports, President Giscard said it was not normal that there should be no Community regulation for sheep meat. Regulations existed for all other major farm products, including butter, cheese, and

France wanted a common policy for lamb, but this should be based on Article 46 of the treaty.

This indicated clearly that replacement of national by common policies should offer "equivalent guarantees for the employment and living standards of interested producers."

President Giscard, who stressed that France was defending Europe, not its own financial interests, hoped a fair solution to Britain's temporary financial problems could be found.

But if Britain did not consider it satisfactory, the situation would be very simple—the rules at present in force would continue to be applied.

Coral casino licences opposed

By Robert Cottell and
Reg Vaughan

THE POLICE and the Gaming Board plan to object to renewal of the licences of four of London's best-known casinos next month.

All are owned by the Coral Leisure Group. They are Croxford's, Palm Beach, Curzon House, and International Sporting Club.

A police spokesman said yesterday that objection to the licences was directly related to the police raids on the company's casinos, headquarters and employees' homes in November 1979, and the charges that followed.

After the police moves Mr. Bernard Coral, main Board director of Coral responsible for the casino division, and Mr. Brian Sherley-Dale, a director, were charged with conspiracy to pervert the course of justice.

A total of 23 Coral employees were also charged with a variety of offences. Though denying the charge, Mr. Coral resigned as chairman on December 1 and Mr. Sherley-Dale left the Board shortly after.

Coral admitted yesterday that it had been informed of the police objections, but it would make no comment.

The move by the police follows revocation last year of licences of three of Ladbrokes' London casinos, the Hertford Club, the Park Lane Casino and the Ladbrokes Club. Ladbrokes' latest move to regain its licences failed last month in the High Court. Coral's shares fell 7p to 66p yesterday.

The Gaming Board will also object to renewals of licences of all Ladbrokes' 11 provincial casinos. Ladbrokes has already negotiated to sell six of the casinos if the licences are renewed and transferred. The Gaming Board will consider the question of transferring the licences only after court hearings next month before local licensing justices for their renewal.

Five of the casinos, in Birmingham, Bristol, Leeds, Stockton, and Middlesbrough, are the subject of a £4.1m cash bid from a Glasgow-based group, the Reo Stakis Organisation.

Mr. Anthony Lang, its secretary said last night that the Gaming Board announcement "doesn't cause our agreement to fall. Our agreement is conditional on the transfer. If they don't get renewed, there will be no licences, so it would fall."

Ladbrokes' other provincial casino is in Liverpool, Manchester, Luton, and two in Newcastle on Tyne. Casino and lottery operations contributed £24.5m of Ladbrokes' £42.2m pre-tax profit in 1979.

No comment was available from Ladbrokes last night.

Weather

UK TODAY

SOME RAIN in the north west; elsewhere dry with early fog. Rather warm.

Argyll, N.W. Scotland, N. Ireland

Sunny intervals, some rain later. Max. 10C (50F).

Elsewhere

Some cloud after early fog. Max. 14C (57F).

Outlook: Some rain in the north and west; elsewhere mostly dry and warm.

WORLDWIDE

Y'day midday Y'day midday

Ajaccio S 12 81 L. Pines F 21 70

Algarve F 15 63 Lisbon S 17 63

Almedin S 12 54 Locarno S 15 59

Alps S 12 54 London C 12 54

Alzey S 15 52 Madrid C 15 61

Ancr. F 18 64 Majorca S 15 51

Salzburg S 15 54 Melilla C 17 63

Salzburg S 15 54 Melilla S 27 81

Barcelona S 20 65 Milan S 15 58

Bari S 12 52 M'ntreal S 15